Office Supreme Court, U.S.
FILED
MAY 9 1962
JOHN F. DAVIS, CLERK

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1961.

No. 950

JACK DANIEL DISTILLERY, Lem Motlow, Prop., Inc.,
Petitioner,
v.
HOFFMAN DISTILLING COMPANY and
FRANK SILVERMAN & CO.,
Respondents.

PETITION FOR THE WRIT OF CERTIORARI

To the United States Court of Appeals for the Sixth Circuit.

JOHN J. HOOKER,
1106 Nashville Trust Building,
Nashville 3, Tennessee,
Attorney for Petitioner.

BEN H. MORRIS,
P. O. Box 1080,
Louisville, Kentucky,
JOE E. DANIELS,
165 Broadway,
New York 6, New York,
CHAUNCEY P. CARTER,
4400 Klingle Street,
Washington 16, D. C.,
TYREE B. HARRIS, III,
1106 Nashville Trust Building,
Nashville 3, Tennessee,
Of Counsel.

ST. LOUIS LAW PRINTING CO., INC., 415 N. Eighth Street CEntral 1-4477

INDEX.

Page

Prayer 1

Opinions below 2

Jurisdiction 2

Questions presented 3

Statutes involved 4

Statement of the case 5

Reasons for granting the writ 12

1. The opinion of the Court of Appeals is in conflict with the holdings of the Court of Appeals for the Second Circuit in the case of My-T-Fine Corporation v. Samuels, 69 F. (2d) 76; Mastercrafters Clock and Radio Company v. Vacheron & Constantin-LeCoultre Watches, 221 F. (2d) 464, certiorari denied, 350 U. S. 832; and American Chicle Co. v. Topps Chewing Gum, 208 F. (2d) 560, as well as the case of Tas-T-Nut Co. v. Variety Nut and Date Co., 245 F. (2d) 3, decided by the Court of Appeals for the Sixth Circuit 12

2. The opinion of the Court of Appeals is in conflict with the opinions of the Court of Appeals for the Second Circuit in the cases of LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F. (2d) 155; Best & Co. v. Miller, 167 F. (2d) 374; Speed Products Co. v. Timmerman Products, 179 F. (2d) 778; and Miles Shoes, Inc. v. R. H. Macy & Co., Inc., 199 F. (2d) 602 18

3. The opinion of the Court of Appeals is in conflict with the Court of Appeals for the Tenth Circuit in the case of R. H. Macy & Co., Inc., v. Colorado Clothing Mfg. Co., 68 F. (2d) 690; with the Court of Appeals for the Third Circuit in the case of Barton v. Rex-Oil Co., 2 F. (2d) 402; and with the opinions of the Sixth Circuit itself in the case of Wisconsin Electric Co. v. Dumore Co., 70 F. (2d) 555, and Tas-T-Nut Co. v. Variety Nut and Date Co., 245 F. (2d) 3 20

4. The opinion of the Court of Appeals is in conflict with the Court of Appeals for the Third Circuit in the case of L'Aiglon Apparel, Inc. v. Lana Lobell, Inc., 214 F. (2d) 649, and is further in conflict with the Lanham Trade-Mark Act of 1946, Section 43 (a), 15 U. S. C. A., Section 1125a 23

The Interpretation of the Law of Unfair Competition as to the Imitation of an Established Collocation of Packaging Features Presents a Question of Importance to Business and the Public Which Should, in the Public Interest, Be Reviewed by This Court 26

Conclusion 32

Appendix:

Memorandum of District Court 33

Opinion of Court of Appeals for the Sixth Circuit .. 42

Order of Court of Appeals for the Sixth Circuit on Petition for Rehearing 45

TABLE OF CITATIONS.

Cases.

American Chicle Co. v. Topps Chewing Gum, 208 F. (2d) 560 ..... 12, 15

American Washboard Co. v. Saginaw Mfg. Co., 103 F. 281 (C. A.—6) 24, 25, 26

Armstrong Paint & Varnish Works v. Nu-Enamel Corporation, 305 U. S. 315, 83 L. ed. 195 ..... 27, 28, 29, 31

Barton v. Rex-Oil Co., 2 F. (2d) 402, 405 ..... 20, 21

Best & Co. v. Miller, 167 F. (2d) 374, 377 ..... 18, 19

E. Kahn's Sons Co. v. Columbus Packing Co., C. C. A. 6, 82 F. 2d 897 29

Hyde Park Clothes v. Hyde Park Fashions, 204 F. 2d 223, at 226 30

L'Aiglon Apparel, Inc. v. Lana Lobell, Inc., 214 F. (2d) 649 ..... 23, 24, 25

LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F. (2d) 115, 117 18

Mastercrafters Clock and Radio Company v. Vacheron & Constantin-LeCoultre Watches, 221 F. (2d) 464, certiorari denied, 350 U. S. 832 ..... 12, 15

Miles Shoes, Inc., v. R. H. Macy & Co., Inc., 199 F. (2d) 602, 603 ..... 18, 20

Mishawaka Rubber & Woolen Manufacturing Company v. S. S. Kresge Company, 316 U. S. 203, 86 L. ed. 1381 28

Mosler Safe Co. v. Ely-Morris Safe Co., 273 U. S. 132, 47 S. Ct. 314, 71 L. Ed. 578 24

My-T-Fine Corporation v. Samuels, et al., 69 F. (2d) 76 ..... 12, 14, 27

O. & W. Thum Co. v. Dickinson, 245 F. 609 29

Pecheur Lozenge Co., Inc. v. National Candy Company, Inc., 315 U. S. 666, 86 L. ed. 1103 (1942) 28

Q-Tips, Inc., v. Johnson & Johnson, 206 F. 2d 144 (C. A. 3, 1953) 27

R. H. Macy & Co., Inc. v. Colorado Clothing Mfg. Co., 68 F. (2d) 690, 692 ..... 20, 22

Sidney Steele et al. v. Bulova Watch Company, Inc., 344 U. S. 280, 97 L. ed. 319 28
Speed Products Co. v. Timmerman Products, 179 F. (2d) 778, 780-781 ..... 18, 19
Tas-T-Nut Co. v. Variety Nut and Date Co., 245 F. (2d) 3, 7 ..... 12, 17, 20, 23, 29
Time, Inc. v. Life Television Corp (D. C.-Minn.), 123 Fed. Sup. 470, 474 22
United Drug Company v. Theodore Rectanus Company, 248 U. S. 90, 63 L. ed. 141 27
Wisconsin Electric Co. v. Dymore Co., 35 F. (2d) 555, 557 ..... 20, 22

Statutes.

15 U. S. C. A., § 1125 (a) (Section 43a of the Lanham Act) 4, 23, 24
28 U. S. C. A., § 1254 (1) 2
28 U. S. C. A., § 1332 5
28 U. S. C. A., § 2101 (c) 2

Textbook.

Restatement of Torts, Section 716, Comment b 22

Miscellaneous.

Fortune Magazine, July 1951 5
True Magazine, 1954 6
Virginia City "Territorial Enterprise" 6
Washington Post and Times Herald 6

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1961.

No. .....

JACK DANIEL DISTILLERY, Lem Motlow, Prop., Inc.,
Petitioner,

v.

HOFFMAN DISTILLING COMPANY and
FRANK SILVERMAN & CO.,
Respondents.

PETITION FOR THE WRIT OF CERTIORARI

To the United States Court of Appeals for the Sixth Circuit.

To the Honorable Chief Justice and the Associate Justices of the Supreme Court of the United States:

Petitioner, Jack Daniel Distillery, Lem Motlow, Prop., Inc., prays that a writ of certiorari issue to review an order and judgment entered by the Court of Appeals for the Sixth Circuit on February 3, 1962, and the opinion denying the petition for rehearing entered on March 7, 1962. Said order and judgment affirmed a judgment of the District Court for the Western District of Kentucky

wherein the petitioner's complaint, filed against the respondent, Hoffman Distilling Company, and in which the respondent, Frank Silverman & Co., had intervened as a party defendant, seeking to enjoin the said defendants from continuing to unfairly compete with the petitioner, was dismissed.

OPINIONS BELOW.

The District Court filed an opinion dismissing petitioner's complaint on December 15, 1960, which opinion is reported in 190 Fed. Supp. 841. The Court of Appeals for the Sixth Circuit filed a per curiam opinion affirming the order of the District Court on February 3, 1962, which memorandum is reported in 208 F. (2d) 606. Thereafter on March 7, 1962, the Court of Appeals filed an order overruling petitioner's petition to rehear, which order has not yet been reported in the official reporter. In compliance with Rule 23 (i) of this Honorable Court copies of the opinions of the District Court and of both opinions filed by the Court of Appeals may be found as an appendix to this petition.

JURISDICTION.

The judgment of the Court of Appeals was entered on February 3, 1962, and the petition for rehearing was overruled on March 7, 1962. No order has been entered extending the time for the filing of a petition for certiorari. This petition is being filed, however, within the time prescribed by 28 U. S. C. A., Section 2101 (c). The jurisdiction of this Court to review the action of the Court of Appeals is invoked under the provisions of Title 28, U. S. C. A., Section 1254, paragraph (1).

QUESTIONS PRESENTED

This is an unfair competition action. It is based upon respondents' deliberate adoption and copying of petitioner's packaging and advertising. This combination or collocation of features had become well established and associated with the petitioner's product and was referred to by the District Court as "the appearance of the well established and attractive Jack Daniel's Black Label package and advertising techniques . . ." Such imitation was intentional and for the purpose of soliciting customers of the petitioner and to appeal to other prospective consumers who would be attracted by the advertising and packaging methods developed by the petitioner.

The questions presented for review by this petition are:

1. The holding of the Court of Appeals that unfair competition has not been proven despite a finding that the respondents have "intentionally copied and imitated the appearance of the well-established and attractive" package of the petitioner for the obvious purpose of soliciting customers of the petitioner conflicts with the decisions of courts of appeal of other circuits.

2. The holding of the Court of Appeals that petitioner must prove actual confusion on the part of the public rather than to establish likelihood of confusion in order to sustain its claim of unfair competition conflicts with the decisions of the courts of appeal of other circuits.

3. The holding of the Court of Appeals that a failure to show "that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey thinking it was Jack Daniel's whiskey" precludes a finding of secondary meaning conflicts with the decisions of courts of appeal of other circuits.

4. The finding of the Court of Appeals that respondents' use of statements which were "false and untrue" as to respondents' product did not give rise to a cause of action in favor of petitioner wholly fails to give effect to Section 43a of the Lanham Act, 15 U. S. C. A., 1125(a), and is in conflict with the decisions of courts of appeal of other circuits.

5. The decision of the Court of Appeals holding that intentional imitation of a distinctive combination of packaging features and use of false and untrue statements related thereto does not constitute unfair competition presents an error of law and principle having a wide and far-reaching effect upon commercial morality which may be perpetuated into widespread confusion in trade and by the public and calls for the exercise of this Court's power to review in the public interest an important question of law.

STATUTES INVOLVED.

The only statute involved in the issues presented by this petition for certiorari is Section 43a of the Lanham Trade-Mark Act of 1946, 15 U. S. C. A., Section 1125 (a), which provides as follows:

> "Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, * * * and shall cause such goods or services to enter into commerce * * * shall be liable to a civil action by any person doing business in the locality falsely indicated * * *, **or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation**" (Emphasis added).

STATEMENT OF THE CASE.

The petitioner in this cause is a corporation organized and doing business under the laws of the State of Tennessee. The respondent, Hoffman Distilling Company, the only original defendant, is a corporation organized and doing business under the laws of the State of Kentucky. Jurisdiction was vested in the United States District Court by virtue of 28 U. S. C. A., 1332, there being diversity of citizenship between the parties and the amount in controversy exceeding $3,000. This action was brought prior to the 1958 amendment which increased the minimum jurisdictional amount to $10,000.

The proof in this case established that Jack Daniel Distillery was founded sometime prior to 1900, and except for the period of time during which the manufacture and sale of intoxicating liquors was illegal in Tennessee has continuously offered its whiskey known as "Jack Daniel's" to the consuming public.

Jack Daniel's has through the years used the following physical features and advertising slogans and practices in connection with the marketing of its product.

1. Since about 1900 the petitioner has sold its product in a square bottle upon which there was affixed a black and white wrap-around label containing a picture or reproduction of an old distillery.

2. For years Jack Daniel's Whiskey has been known and referred to as "sippin' whiskey." In this connection it has had the good fortune to have both magazine articles and news stories written about its product wherein it was liberally referred to as "sippin' whiskey." These magazine articles include one in the July, 1951, issue of **Fortune Magazine** entitled "Rare Jack Daniel's" (R. 160a), which in its entirety was spread on the Congressional

Record and one published in **True Magazine** during the year 1954 entitled "Sippin' Whiskey and the Shirtsleeve Brothers" (R. 144a). The only newspaper article referring to this sippin' whiskey which appears in the record on appeal is one in the Virginia City "Territorial Enterprise" (R. 141a), although the record shows that the article from the **True Magazine** was republished in six or eight newspapers, including perhaps **The Washington Post** and **Times Herald** (R. 68a). This expression became sufficiently associated with Jack Daniel's that in March, 1955, the petitioner caused the expression "Rare Old Sippin' Whiskey" to be registered with the Commissioner of Patents (R. 9a, 14a).

3. Because of the unique distilling process used by Jack Daniel's of pouring its whiskey prior to aging into huge vats of tamped charcoal requiring eight to ten days before the distillate can percolate to the bottom of the vat and commence to drip out from the bottom thereof very slowly, which process increases the mellowness of petitioner's whiskey, Jack Daniel in the early 1950's began to advertise its whiskey as being "Charcoal Mellowed" and "Charcoal Mellowed Drop by Drop" (R. 64a-92a).

4. At about the same time rather than describing its whiskey as simply "90 Proof" (a showing of proof on the label being required by the United States Government), the petitioner referred to its whiskey as "90 Proof by Choice." So far as the petitioner knows no other distillery prior to this time had ever added such an expression to its required statement of proof (R. 91a).

5. To further tell the story of Jack Daniel's whiskey petitioner in 1954 commenced to attach a neckpiece to each bottle of its whiskey. One such neckpiece appears at page 139a of the record. This neckpiece is black and white and on its face contains the words "The only whiskey 'CHARCOAL MELLOWED' drop by drop." On the

inside of the neckpiece the story of Jack Daniel's is set out and a reproduction or picture of workers preparing charcoal appears. Some of the neckpieces go further and describe "our small Jack Daniel's distillery in Lynchburg, Tennessee" (R. 106a). Insofar as the representatives of Jack Daniel's knew they were the only distillery ever to affix neckpieces to their product other than for special promotions (R. 82a-83a).

6. Finally in 1956 when Jack Daniel found that it had oversold its product and that it was in short supply it began to advertise "so good, in fact, there isn't quite enough to go around" (R. 83a) and to post display materials in retail stores starting "LIMIT: ONE BOTTLE TO A PERSON" (R. 142a). Mr. Ferris, an officer of Jack Daniel's advertising agency, testified that in his opinion it would be improper to advertise that a product was in short supply if this were not in fact true (R. 92a).

Prior to 1950 Jack Daniel's was not a nationally known product although its package and label were generally recognized by the public who had purchased between eight and nine million dollars worth of its product subsequent to the repeal of the 18th Amendment and the legalization of the manufacture of whiskey in Tennessee. Commencing in the early 1950's Jack Daniel decided to advertise extensively. During the period from 1952 through 1958 it spent approximately three and one-half million dollars in advertising (R. 80a). The advertising appeared in such magazines as Time, Newsweek, True and Holiday (R. 123a), in most of the leading newspapers throughout the United States (R. 120a-122a), in all of the principal trade journals (R. 123a), and on billboards in various sections of the country (R. 124a). This resulted in Jack Daniel's sales being increased from less than a million and a half dollars for the fiscal year 1949-1950 to over thirteen and a half million dollars for the fiscal year 1955-1956, at

which time Jack Daniel's found that the demand for its product had exceeded its supply, with the result that commencing in 1957 its whiskey went on allocation and sales were reduced to something over nine and one-half million dollars per year (R. 70a-73a).

The purpose of all these advertisements was to create a brand image for Jack Daniel's Whiskey with the public and for that reason the expressions "sippin' whiskey," "Charcoal Mellowed Drop by Drop," as well as the other features previously mentioned were used extensively so that when the public heard one or more of the expressions it would be immediately reminded of petitioner's product. All of the advertisements of Jack Daniel for the years 1955 and 1956 were exhibited to the Court and they showed that each one contained the expression "Charcoal Mellowed Drop by Drop," and most but not all of them contained the expression "sippin' whiskey," as well as a picture of the bottle itself.

Respondents' whiskey came on the market under the trade name Ezra Brooks on April 1, 1957. They immediately adopted the following physical features and advertising slogans and practices in connection with the marketing of their new and unknown product:

1. They packaged their whiskey in a square bottle upon which there was affixed a black and white wrap-around label containing a picture or reproduction of an old distillery (R. 107a-108a, 140a).

2. Upon their label, in their neckpiece, and in their advertising respondents referred to their whiskey as "Real Sippin' Whiskey" (R. 139a-140a).

3. They advertised their whiskey by the use of the expressions "Every Sip is Mellowed 'Cause Every Drop is Charcoal Filtered" (R. 143a). Actually this advertis-

ing was not true for the only "charcoal filtering" to which Ezra Brooks is subjected is to mix seven ounces of activated charcoal into 400 gallons of whiskey and permit it to stand for periods of up to 24 hours (R. 116a).

4. After the required showing of the proof of the respondents' whiskey on their label they added the words "For Character" to make the expression read "90 Proof For Character" (R. 139a).

5. From the time the respondents' product was placed on the market there was affixed to each bottle a black and white neckpiece, on the face of which appears the words "The story of real sippin' whiskey" and the body of the neckpiece contains a picture or drawing of charcoal being prepared under barrels with the statement "Every drop of Ezra Brooks is charcoal filtered" (R. 139a). The neckpiece further contains the following statement "Down in Anderson County, Kentucky, we folks are mighty proud of our little plant. Actually our distillery is the smallest in Kentucky . . . as well as one of the oldest" (R. 107a). This statement is followed by the name Ezra Brooks Distilling Company, Lawrenceburg, Anderson County, Kentucky.

As a matter of fact there is no such distillery as the Ezra Brooks Distilling Company. This is simply a trade name owned by Frank Silverman & Company and under which Hoffman Distilling Company bottles whiskey for Silverman (R. 99a-100a). It is true that the Hoffman Distilling Company is located in Lawrenceburg, Anderson County, Kentucky, but all of the whiskey which goes into the Ezra Brooks bottle is not distilled by this respondent. A substantial part of it is bought on the open market from at least three other distillers (R. 97a, 102a-104a).

6. From the time of its first sale Ezra Brooks has advertised that "'There just ain't enuf to go around!" (R.

98a) and has placed advertising material in retail stores stating "Please don't ask for more than one! There just ain't enuf to go around!" (R. 142a), although the proof shows that Ezra Brooks has never been in short supply and that every order has been filled as soon as Hoffman had time to bottle it in its bottling house, with never a delay of more than a week to ten days (R. 118a).

That this advertising was false and untrue was expressly found by both the District Court in its memorandum opinion and by the Court of Appeals in its order overruling the petition to rehear.

Based upon this evidence the District Court found the following facts which were concurred in by the Court of Appeals and which we adopt as being sustained by the proof.

> "Although the brand names Jack Daniel's and Ezra Brooks and the names of the Jack Daniel Distillery and the Ezra Brooks Distilling Company appear prominently on their respective labels, it is clear that many features of the Jack Daniel's package and methods of advertising are imitated by Ezra Brooks. Jack Daniel's uses a square bottle and a black and white wrap-around label. Ezra Brooks employs a square bottle and a black and white wrap-around label. Jack Daniel's on its label uses the words, '90 Proof by Choice.' Ezra Brooks on its label employs the expression '90 Proof for Character.' Jack Daniel's pictures a small old-time distillery on its label and Ezra Brooks' label follows suit. Jack Daniel's for many years advertised that its whiskey is 'Rare Old Sippin' Whiskey' and otherwise uses the word 'Sippin'' to describe its product. Ezra Brooks label bears the legend 'Real Sippin' Whiskey.' Jack Daniel's has consistently advertised its whiskey as 'Charcoal Mellowed Drop by Drop,' this expression being a reference to the

unique method of filtering its whiskey through charcoal before it is warehoused for aging. Ezra Brooks features on its label the words 'Charcoal Filtered' and in its advertising 'Every Sip is Mellowed 'Cause Every Drop is Charcoal Filtered.' The charcoal filtration of Ezra Brooks whiskey consists of placing seven ounces of activated charcoal in four hundred gallons of aged whiskey and agitating the whiskey for varying periods of time up to twenty-four hours. Jack Daniel's uses a small black and white cardboard neckpiece on its bottle extolling its whiskey and distillery, and this feature has been adopted by Ezra Brooks with closely related resemblances both as to appearance and content. From the time Ezra Brooks first came on the market it has also imitated the Jack Daniel's story by advertising that its product was in short supply and Jack Daniel's use of the expression 'There isn't quite enough to go around' was matched in Ezra Brooks' advertisements by the statement 'There just ain't enuf to go around.' This line of advertising was followed by the defendant in spite of the fact that there was no shortage of its supply as the evidence clearly shows that there was always available in the market an ample supply of the type whiskey bottled under the brand name of Ezra Brooks.

"From this brief statement of the evidence it is necessarily concluded that all of these similarities were not adopted by accident but that the defendant intentionally copied and imitated the appearance of the well-established and attractive Jack Daniel's Black Label package and advertising techniques for its new and unknown brand Ezra Brooks. The obvious purpose of the copying was to solicit customers of the plaintiff who could not obtain Jack Daniel's whiskey while there was a shortage in supply and also to appeal to all other prospective consumers who would

be attracted by the advertising and packaging methods developed by the plaintiff." (Emphasis added.)

190 Fed. Sup. 841, 843-844, Appendix p. 36.

Despite this finding of fact the District Court dismissed petitioner's suit upon the ground, first, that it had failed to establish a secondary meaning and, secondly, that it had failed to establish a likelihood of confusion.

The Court of Appeals in affirming the action of the District Court overlooked the fact that likelihood of confusion would support an action of unfair competition and affirmed the District Court upon the ground that there was no evidence of actual confusion, stating at 298 F. (2d) 607 (Appendix p. 44):

> "There was no showing that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey, thinking it was Jack Daniel's whiskey. In other words, the proof did not show that these imitated features had a secondary meaning as identifying the source of the whiskey."

REASONS FOR GRANTING THE WRIT.

1. The opinion of the Court of Appeals is in conflict with the holdings of the Court of Appeals for the Second Circuit in the case of My-T-Fine Corporation v. Samuels, 69 F. (2d) 76; Mastercrafters Clock and Radio Company v. Vacheron & Constantin-LeCoultre Watches, 221 F. (2d) 464, certiorari denied, 350 U. S. 832; and American Chicle Co. v. Topps Chewing Gum, 208 F. (2d) 560, as well as the case of Tas-T-Nut Co. v. Variety Nut and Date Co., 245 F. (2d) 3, decided by the Court of Appeals for the Sixth Circuit.

As pointed out in our statement of the case the District Court properly found as a fact that from the evidence it must necessarily be concluded

"that all of these similarities were not adopted by accident but that the defendant intentionally copied and imitated the appearance of the well-established and attractive Jack Daniel's Black Label package and advertising techniques for its new and unknown brand Ezra Brooks. The obvious purpose of the copying was to solicit customers of the plaintiff who could not obtain Jack Daniel's whiskey while there was a shortage in supply and also to appeal to all other prospective consumers who would be attracted by the advertising and packaging methods developed by the plaintiff."

190 Fed. Sup. 841, 844, Appendix p. 36.

The Court of Appeals concurred in this finding of fact with the statement:

"The findings of fact of the District Judge are supported by substantial evidence and are binding on us."

298 F. (2d) 606, 608, Appendix p. 44.

Despite this finding and despite the fact that respondents introduced no evidence tending to show either that the public had not been deceived or that they were not likely to be deceived the Court of Appeals affirmed the action of the District Court in dismissing petitioner's action for unfair competition because:

"There was no showing that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey thinking it was Jack Daniel's whiskey."

298 F. (2d) 606, 607, Appendix p. 44.

We respectfully submit that such a holding is in direct conflict with several cases decided by the Court of Appeals for the Second Circuit, as well as by the Sixth Circuit itself.

In the case of **My-T-Fine Corporation v. Samuels, et al.**, 69 F. (2d) 76, the Court of Appeals for the Second Circuit considered a case wherein the plaintiff had established that it had sold a pudding mixture in a distinctively colored and designed box bearing the words "My-T-Fine". Defendant then put on the market a pudding mixture in a similar box which bore the name "Velmo". Although the court found no actual deception, in reversing the lower court and in finding in favor of the plaintiff, the Court of Appeals, speaking through the distinguished Judge Learned Hand, held at page 77:

> ". . . and were it not for the evidence of the defendants' intent to deceive and so to secure the plaintiff's customers, we should scarcely feel justified in interfering at this stage of the cause. We need not say whether that intent is always a necessary element in such causes of suit; probably it originally was in federal courts. McLean v. Fleming, 96 U. S. 245, 24 L. Ed. 828; Lawrence Mfg. Co. v. Tennessee Mfg. Co., 138 U. S. 537, 11 S. Ct. 396, 34 L. Ed. 997; Elgin National Watch Co. v. Illinois Watch Case Co., 179 U. S. 665, 21 S. Ct. 270, 45 L. Ed. 365. But when it appears, we think that it has an important procedural result: a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile. Prima facie the court will treat his opinion so disclosed as expert and will not assume that it was erroneous. Fairbank Co. v. R. W. Bell Mfg. Co., 77 F. 869, 877 (C. C. A. 2); Capewell Horse Nail Co. v. Green, 188 F. 20, 24 (C. C. A. 2); Wolf Bros. & Co. v. Hamilton, 165 F. 413, 416 (C. C. A. 8); Thum Co. v. Dickinson, 245 F. 609, 621, 622 (C. C. A. 6); Wesson v. Galef (D. C.), 286 F. 621, 626. He may indeed succeed in showing that it was; that, however bad his purpose, it will fail in execution; if he does, he will win. Kann v.

Diamond Steel Co., 89 F. 706, 713 (C. C. A. 8). **But such an intent raises a presumption that customers will be deceived.**" (Emphasis added.)

Again in the case of **Mastercrafters Clock and Radio Company v. Vacheron & Constantin-LeCoultre Watches,** 221 F. (2d) 464, certiorari denied, 350 U. S. 832, the Second Circuit again decided this question in square conflict with the opinion of the Sixth Circuit in the case at bar. In this case Mastercrafters had copied an expensive Swiss clock sold by Vacheron. In deciding the issue in favor of Vacheron & Constantin the Court held:

"Plaintiff's intention thus to reap financial benefits from poaching on the reputation of the Atmos Clock is of major importance. Of course, where there is no likelihood of confusion as, e. g., where the alleged infringing article is not in a sufficiently adjacent field, then an alleged infringer's intent becomes irrelevant, since an intent to do a wrong cannot transmute a lawful into an unlawful act. But where the copying is unlawful, if only there is a likelihood of confusion, **then the intent of the copier becomes decidedly relevant: It gives rise to a powerful inference that confusion is likely, and puts on the alleged infringer the burden of going forward with proof that it is not.** Here the plaintiff's intent is unmistakable; accordingly, plaintiff had the burden of going forward with proof showing an absence of such likelihood; and that burden plaintiff did not discharge . . ." (Emphasis added.)

The great Judge Learned Hand again spoke contrary to the holding in the instant case in the case of **American Chicle Co. v. Topps Chewing Gum,** 208 F. (2d) 560. The facts in this case were almost identical to those in the case at bar. For some years American Chicle had mar-

keted candy-coated chewing gum in a distinctive package bearing the name "Chiclets." Topps came out some years later with a similar product in a very similar package which bore the name "Topps."

In affirming the District Court's judgment for the plaintiff, American Chicle Co., Judge Hand said at page 562:

> "For the defendant has not suggested even the most diaphanous reason for selecting for its peppermint box out of all possible permutations of color and design, just the plaintiff's—or at least almost the plaintiff's—combination except for the substitution of 'Topps' for 'Chiclets.' It would be absurd to see in this anything but a hope to bring to its own net just those buyers who are on the fringe of the plaintiff's possible customers. What we said in Miles Shoes, Inc., v. R. H. Macy & Co., 2 Cir., 199 F. (2) 602, 603, applies to the letter, mutatis mutandis: Why it should have chosen a mark that had long been employed by Macy and had become known to the trade instead of adopting some other means to identify its goods is hard to see unless there was a deliberate purpose to obtain some advantage from the trade which Macy had built up. **Indeed, it is generally true that, as soon as we see that a second comer in a market has, for no reason that he can assign, plagiarized the 'make-up' of an earlier comer, we need no more; for he at any rate thinks that any differentia he adds will not, or at least may not, prevent the diversion and we are content to accept his forecast that he is 'likely' to succeed. Then we feel bound to compel him to exercise his ingenuity in quarters further afield.**" (Emphasis added.)

Although dealing with the question of secondary meaning rather than likelihood of confusion Judge Stewart,

now Mr. Justice Stewart, while sitting as a Circuit Judge in the case of **Tas-T-Nut Co. v. Variety Nut and Date Co.**, 245 F. (2d) 3, 7, recognized the force of the above holdings of the Second Circuit when he stated in his opinion that:

> "In finding that the appellee had deliberately tried 'to take advantage of the great amount of advertising done by, the good reputation earned, and the style of package that has been gotten out by plaintiff,' the district court necessarily found that the distinctive appearance of the appellant's packages had acquired a secondary meaning."

We respectfully submit that the above authorities clearly show a direct conflict in the holdings of the Second Circuit and the one at bar decided by the Sixth Circuit. Further this issue presents an important question of law which conflicts with the established law and which should be determined by this Court. This issue is important not only to the petitioner, but to everyone engaged in the manufacture and sale of any product, distinctively packaged and advertised. The successful manufacturer is always threatened by imitators. Confusion in the minds of the public, either actual or probable, is always most difficult to prove. However, under the decision in the Second Circuit above cited and others to which reference might be made, the plaintiff in those cases where the copying has been as complete as in the case at bar, has prior to the present holding been able to base his case upon the presumption that the defendant has succeeded in his attempt to confuse the public through imitation at least until the defendant has gone forward with the proof to show that his efforts have been unsuccessful. We submit that this long recognized rule of law is a wholesome one, and for that reason the holding of the Sixth Circuit in the instant case to the contrary should not be permitted to stand.

2. The opinion of the Court of Appeals is in conflict with the opinions of the Court of Appeals for the Second Circuit in the cases of LaTouraine Coffee Co. v. Lorraine Coffee Co., 157 F. (2d) 155; Best & Co. v. Miller, 167 F. (2d) 374; Speed Products Co. v. Tinnerman Products, 179 F. (2d) 778; and Miles Shoes, Inc. v. R. H. Macy & Co., Inc., 199 F. (2d) 602.

The dismissal of petitioner's action for unfair competition was affirmed by the Court of Appeals because that Court found that the petitioner had failed to introduce any evidence of actual confusion upon the part of the general public, the Court stating:

> "There was no showing that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey thinking it was Jack Daniel's whiskey.
>
> * * * * * *
>
> "It was not unlawful for Ezra Brooks to copy unpatented products of Jack Daniel so long as they are properly identified and do not mislead the public into believing that Ezra Brooks' products are those of Jack Daniel."
>
> 298 F. (2d) 606, 607, Appendix p. 44.

In addition to the fact that this holding is in conflict with the opinions of the Second Circuit because of the finding of fact that the copying was done for the purpose of deceiving, this holding is also in conflict with the opinions of the Second Circuit in that it expressly requires a finding of actual confusion on the part of the public as a prerequisite to relief in unfair competition cases, whereas the holdings of the Second Circuit are that a finding of a likelihood of confusion will justify the relief prayed.

The Court of Appeals for the Second Circuit in the case of **LaTouraine Coffee Co. v. Lorraine Coffee Co.**, 157 F. (2d) 115, 117, held:

"To establish infringement, plaintiff need show only that the name adopted by defendants is so similar to its trademark as to be likely to cause confusion among reasonably careful purchasers. Defendants urge that there has been no showing of actual instances of confusion; but no such evidence is required . . . The only question is whether or not the similarity of names is such as to make likely the deception of any appreciable number of ordinary prudent customers."

The Second Circuit in the case of **Best & Co. v. Miller**, 167 F. (2d) 374, 377, expressly found that this rule applied to unfair competition actions, as well as to infringement suits, stating:

"The trial judge correctly ruled that unfair competition is a question of fact, and the test is 'whether the public is likely to be deceived.' Applying this test he found no unfair competition. Such a finding is not conclusive on an appellate court, if it takes a different view as to the likelihood of deception."

Again, in the case of **Speed Products Co. v. Tinnerman Products**, 179 F. (2d) 778, 780-781, the Court of Appeals for the Second Circuit declared the law to be:

"Nor is it of controlling significance that the defendant did not produce anyone who had ever been misled into buying plaintiff's products thinking they were defendant's or that neither defendant's president nor vice-president and general manager could recall a single instance in which anyone had ever been deceived, for here the similarity of the marks is such as to make confusion likely.

* * * * * * *

"We have said, however, that 'the test of trademark infringement differs little, if any, from the test of unfair competition,' and have phrased the test of

unfair competition as 'whether the public is likely to be deceived.' ".

We, therefore, respectfully submit that there is a direct conflict between the holdings of the Second Circuit and of the Sixth Circuit in the case at bar on the question of whether actual confusion on the part of the general public must be proven in order to sustain an action of unfair competition or whether, as held by the Second Circuit, likelihood of confusion justifies the relief. This is a matter of such extreme importance that the conflict should be determined by this Court. If the opinion of the Sixth Circuit is permitted to stand as opposed to the opinions of the Second Circuit, unfair competition actions cannot be sustained in the Federal Courts despite the extent of the unfairness of the defendants' competition; for as Judge Augustus Hand pointed out in the case of **Miles Shoes, Inc., v. R. H. Macy & Co., Inc.**, 199 F. (2d) 602, 603:

> "Moreover, since reliable evidence of actual instances of confusion is practically almost impossible to secure, particularly at the retail level, in the final analysis the decision must rest on the court's conviction as to possible confusion."

3. The opinion of the Court of Appeals is in conflict with the Court of Appeals for the Tenth Circuit in the case of R. H. Macy & Co., Inc., v. Colorado Clothing Mfg. Co., 68 F. (2d) 690; with the Court of Appeals for the Third Circuit in the case of Barton v. Rex-Oil Co., 2 F. (2d) 402; and with the opinions of the Sixth Circuit itself in the case of Wisconsin Electric Co. v. Dumore Co., 35 F. (2d) 555, and Tas-T-Nut Co. v. Variety Nut and Date Co., 245 F. (2d) 3.

In its opinion the Court of Appeals held:

> "There was no showing that a member of the consuming public was ever confused or misled into buying

Ezra Brooks whiskey thinking it was Jack Daniel's whiskey. **In other words, the proof did not show that these imitated features had a secondary meaning as identifying the source of the whiskey.**" (Emphasis added.)

208 F. (2d) 607. Appendix p. 44.

The effect of this holding is to require proof of actual confusion to show secondary meaning. This is in direct conflict with the holdings of the other circuits. It is true that proof of actual confusion is one way to prove secondary meaning, but it is certainly not the only one.

The petitioner showed without contradiction that the imitated features of its package and advertising slogans had been used for many years; some of them for more than 50 years. In holding that long use was not a method of establishing secondary meaning but that secondary meaning might be shown only by actual confusion, the Sixth Circuit finds itself in direct conflict with the opinion of the Third Circuit in the case of **Barton v. Rex-Oil Co.**, 2 F. (2d) 402, 405, wherein the court held:

> "The respondent urges that secondary meaning is to be determined by the time taken in acquiring it. This is a rule of experience rather than a rule of law for in most of the cases reported, and in all cited by the respondent, the time in acquiring a secondary meaning figured largely and in some cases exclusively in determining whether such meaning had been acquired. Time is the usual standard because a natural one but it is not the exclusive standard. The test of secondary meaning is whether the trademark has become broadly known to the public as denoting a product of certain origin."

The Court's opinion is also in direct conflict with the opinion of the Court of Appeals for the Tenth Circuit in

the case of **R. H. Macy & Co., Inc. v. Colorado Clothing Mfg. Co.**, 68 F. (2d) 690, 692, wherein the Court held:

> "Words or names which have a primary meaning of their own, such as words descriptive of the goods, . . . may by long use in connection with the goods or business of a particular trader come to be understood by the public as designating the goods or business of that particular trader. Such words have a primary and secondary meaning."

See also:

Restatement of Torts, Sec. 716, Comment b;
Time, Inc. v. Life Television Corp. (D. C.-Minn.), 123 Fed. Sup. 470, 474.

Further, the petitioner introduced proof of extensive advertising of its product, its package, and its advertising features (three and one-half million dollars from 1952 through 1958), and also of its public acceptance through sales, which grew from less than one and one-half million dollars in the fiscal year 1949-1950 to more than thirteen and one-half million dollars in the fiscal year 1955-1956 when Jack Daniel's became in short supply and its sales had to be reduced to a little over nine and one-half million dollars per year, for the purpose of proving secondary meaning. In holding that this was not a proper way to prove secondary meaning, but that it must be proven only through proof of actual confusion on the part of the public, the court's opinion is in direct conflict with the opinion of the Tenth Circuit in the case of **R. H. Macy & Co., Inc. v. Colorado Clothing Mfg. Co.**, 68 F. (2d) 690, 692, wherein the court held that carrying "on each year a large national advertising campaign" is evidence of secondary meaning, as well as the Sixth Circuit's opinion in the case of **Wisconsin Electric Co. v. Dumore Co.**, 35 F. (2d) 555, 557, wherein the court held that proof of sales amounting

to only five million dollars in a fourteen year period and advertising of only $35,000 per year constituted evidence of secondary meaning.

Finally, the petitioner introduced proof and both the lower courts found as a fact that the respondents had "intentionally copied and imitated the appearance of the well-established and attractive Jack Daniel's Black Label package and advertising techniques" for the obvious purpose of soliciting "customers of the plaintiff who could not obtain Jack Daniel's whiskey while there was a shortage in supply and also to appeal to other prospective consumers who would be attracted by the advertising and packaging methods developed by the plaintiff." In holding that this was not proof of secondary meaning, but that it must be proven only by proof of actual confusion on the part of the public, the court's opinion is in direct conflict with its own opinion in the case of **Tas-T-Nut Co. v. Variety Nut and Date Co.**, 245 F. (2d) 3, 7, wherein the court held:

> "In finding that the appellee had deliberately tried 'to take advantage of the great amount of advertising done by the good reputation earned, and the style of package that has been gotten out by plaintiff,' the district court necessarily found that the distinctive appearance of the appellant's packages had acquired a secondary meaning."

4. The opinion of the Court of Appeals is in conflict with the Court of Appeals for the Third Circuit in the case of L'Aiglon Apparel, Inc. v. Lana Lobell, Inc., 214 F. (2d) 649, and is further in conflict with the Lanham Trade-Mark Act of 1946, Section 43 (a), 15 U. S. C. A., Section 1125a.

The Court of Appeals in its original opinion declared the law to be:

"The fact that some of the statements made by Ezra Brooks concerning its product were false and untrue does not make out a case of unfair competition in favor of plaintiff. Mosler Safe Co. v. Ely-Morris Safe Co., 273 U. S. 132, 47 S. Ct. 314, 71 L. Ed. 578; American Washboard Co. v. Saginaw Mfg. Co., 103 F. 281 (C. A. 6)."

298 F. (2d) 607, 608, Appendix p. 44.

In our petition to rehear we challenged the Court's attention to Section 43a of the Lanham Trade-Mark Act of 1946, which provides:

"Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, or a false designation of origin, or any false description or representation, * * * and shall cause such goods or services to enter into commerce, * * * shall be liable to a civil action by any person doing business in the locality falsely indicated * * *, **or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.**" (Emphasis added.)

15 U. S. C. A. 1125 (a).

We further pointed out that in view of the above congressional enactment that the **American Washboard Co.** case had been expressly modified by the opinion of the Court of Appeals for the Third Circuit in the case of **L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.**, 214 F. (2d) 649, as well as by other cases cited in our petition to rehear.

In its opinion overruling petitioner's petition to rehear the Court of Appeals ruled that the respondents' use of the expression "There just ain't enuf to go around" and

the use of a "picture of an old distillery on its label" were false and untrue. It might well also have included as being untrue the use of the expression "Every Sip is Mellowed 'Cause Every Drop is Charcoal Filtered," for the proof shows that the only contact the respondents' whiskey has with charcoal is to have seven ounces of activated charcoal placed in 400 gallons of aged whiskey and permit it to remain therein for a period not to exceed twenty four hours. This operation would hardly permit every sip to be mellowed and no drop would thereby be charcoal filtered. Despite this finding, however, the Court of Appeals held on the petition to rehear:

> "Assuming that Ezra Brooks whiskey was not in short supply we fail to see how this creates a cause of action in favor of plaintiff.
>
> "The same is true about the picture of a distillery on its label when its whiskey was manufactured by independent distilleries."

Appendix p. 45.

This holding is in direct conflict with the opinion of the Third Circuit in the case of **L'Aiglon Apparel, Inc., v. Lana Lobell, Inc.**, 214 F. (2d) 649. In this case L'Aiglon Apparel advertised a picture of one of its dresses showing a purchase price of $17.95. The defendant advertised one of its own dresses for $6.95 but used a picture of the plaintiff's dress in its advertisement. In sustaining the Court's jurisdiction to grant injunctive relief the Court of Appeals for the Third Circuit recognized the rule of American Washboard Co. v. Saginaw Mfg. Co., supra, cited by the Court of Appeals in the instant case, declaring that a competitor could not complain of the action of his advertising features by another even if the imitation amounted to a misrepresentation by the latter user unless such false advertisements "had led or were likely to lead customers, through confusion of defendant's and plaintiff's goods, to

buy the former under the misapprehension that they were the latter."

The Third Circuit Court found that the above quoted provision of the Lanham Act had modified the rule of the **American Washboard Co.** case and had brought the law of unfair competition more nearly in line with modern thought. Therefore, the Court held that under the Lanham Act if an advertisement was false a competitor whose advertising is copied may seek an injunction or damages or both. The Court stated:

> "It seems to us that Congress has defined a statutory civil wrong of false representation of goods in commerce and has given a broad class of suitors injured or likely to be injured by such wrong the right to relief in the Federal court"

214 F. (2d) 651.

In the instant case the Court of Appeals for the Sixth Circuit has declined to vary the rule of the **American Washboard Co.** case even in the light of the Lanham Act, and in so holding stands in direct conflict with the holding of the Court of Appeals for the Third Circuit.

The Interpretation of the Law of Unfair Competition as to the Imitation of an Established Collocation of Packaging Features Presents a Question of Importance to Business and the Public Which Should, in the Public Interest, Be Reviewed by This Court.

The conflict between the decision of the Court of Appeals in this case and the decisions of Courts of Appeals of other Circuits has already been pointed out. Not only does the existence of such conflict require the intervention of this Court but the importance of the question involved, both to business and the public, demonstrates the necessity of an authoritative ruling on the applicable

law. In **Q-Tips, Inc., v. Johnson & Johnson**, 206 F. 2d 144 (C. A. 3, 1953), the Court stated:

> "It is worth pointing out, at the start of our discussion, that we are in a field where the tendency of the law 'has been in the direction of enforcing increasingly higher standards of fairness or commercial morality in trade. The tendency still persists.' Restatement, Torts, Volume III, page 540. In any situation where the law is in the growing state it is not to be expected that the advance in all courts will be simultaneous. * * *"

In that case the Court of Appeals for the Third Circuit was passing on a case which primarily involved a registered trade mark. However it has long been established that "The law of trade marks is but a part of the broader law of unfair competition: * * *" (**United Drug Company v. Theodore Rectanus Company**, 248 U. S. 90, 63 L. ed. 141).

It is interesting to note that the quotation from the Law of Torts appearing in the **Johnson & Johnson** case (supra) appeared in such Restatement in 1938. The decision of the Court of Appeals for the Second Circuit in **My-T-Fine Corporation v. Samuels et al.**, 69 F. 2d 76, was published in 1934. The law as to imitation of packaging features has developed to a very substantial extent since the decision of that case and the publication of the Restatement of Torts above referred to, and the conflicts to which we have referred have arisen subsequent thereto.

In 1938 this Court decided the case of **Armstrong Paint & Varnish Works v. Nu-Enamel Corporation**, 305 U. S. 315, 83 L. ed. 195, dealing with secondary meaning one of the essential points as to which conflict exists between the Court of Appeals' decision in this case and those of other Courts above referred to. Following the decision

of the **Nu-Enamel** case, there has been no decision by this Court involving the overall application of the law of trade marks and unfair competition. In 1942 this Court passed on a trade mark case "solely to review the provisions of the decree dealing with the measure of profits and damages * * *". (**Mishawaka Rubber & Woolen Manufacturing Company v. S. S. Kresge Company**, 316 U. S. 203, 86 L. ed. 1381.) While passing only on damages in a trade mark matter, Mr. Justice Frankfurter emphasized the public importance of cases of this type. The opinion stated:

> "The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. * * *"

and later:

> "Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress. * * *"

Sidney Steele et al. v. Bulova Watch Company, Inc., 344 U. S. 280, 97 L. ed. 319, decided in 1952, was an action for trademark infringement but the Court considered only the jurisdiction to enjoin action abroad rather than the merits of the case. Certiorari was also granted in **Pecheur Lozenge Co., Inc. v. National Candy Company, Inc.**, 315 U. S. 666, 86 L. ed. 1103 (1942), but the writ was vacated on the ground that no registered trademark was involved. Accordingly, so far as can be determined, this Court has not passed on the merits of an action for trademark infringement or unfair competition since the decision of the

Nu-Enamel case (supra). During the intervening years, unfair competition actions involving imitation of a combination of packaging features have arisen with increasing frequency, as shown by the decisions herein cited.

In this case, despite a finding of respondents' deliberate and intentional copying of the petitioner's well established and attractive packaging features, for the purpose of attracting customers of petitioner and others who would be attracted by such features, the Court held that no relief can be granted. The District Court found that

> "regardless of how disapproving the courts may be of such practices, they cannot legislate the morals of the market place. * * *" (R. 178a).

The Court of Appeals went further and stated that:

> "The fact that some of the statements made by Ezra Brooks concerning its product were false and untrue does not make out a case of unfair competition in favor of plaintiff * * *".
>
> (298 F. 2d 607, Appendix p. 45)

Thus we have the anomalous situation in which the Court of Appeals for the Third Circuit and for the Second Circuit apply the rule of "increasingly higher standards of fairness or commercial morality in trade * * *" while the Sixth Circuit permits the law of the market place to control and holds that even "false and untrue" statements must be countenanced.

It should also be noted that the Court of Appeals for the Sixth Circuit has heretofore decided cases concerning the imitation of a collocation of features which has become distinctive, with which the decision under consideration also conflicts. Such decisions include the **Tas-T-Nut** heretofore referred to, and **E. Kahn's Sons Co. v. Columbus Packing Co.**, C. C. A. 6, 82 F. 2d 897, and **O. & W. Thum Co. v. Dickinson**, 245 F. 609.

If the present decision of the Court of Appeals is allowed to stand, while the Second and Third Circuits continue to enforce an increased standard of commercial morality, it will lead to the anomalous situation of the Courts in some Circuits requiring a higher standard of business morality than that to be enforced in the Sixth Circuit. The effect of this on the owners of valuable commercial property, lawyers and consumers need not be labored. This presents an important matter which requires an authoritative decision of this Court to remove conflict and uncertainty and to provide for the protection of legitimate business and the public.

Such a ruling is important from the standpoint of administration of justice. The application of the law differs not only between Circuits but in the same Circuit. In the Second Circuit this problem was referred to in a dissenting opinion in **Hyde Park Clothes v. Hyde Park Fashions,** 204 F. 2d 223, at 226, as follows:

> "Plaintiff-appellant has had the misfortune—so it seems to me—to come before a panel of this court allergic to the doctrine historically associated with us because of its nurture by our most illustrious judges of protecting trade names against competition which will create confusion as to the source of goods sold under such names. The chance of the assignment calendar which has so operated against plaintiff might as easily have brought it success, to judge by the three most recent cases on this issue before us, the unanimous decision in each instance—two in fact reversing decisions below—of another panel."

At a later point, the dissenting opinion stated:

> "Differences of view on such issues seem to me not unnatural and, while inconvenient, need no apology. I think we ourselves should recognize the existence of such divergence, just as others are doing, e. g.,

Lunsford, Trade Mark Infringement and Confusion of Source: Need for Supreme Court Action, 35 Va. L. Rev. 214; Pattishall, Trade Marks and the Monopoly Phobia, 50 Mich. L. Rev. 967, and as the opinion below demonstrates by its careful selectivity in choice of precedents. This natural development could be somewhat ameliorated if we adopted the practice I have urged of sitting en banc on special occasions, 28 U. S. C., Sec. 46 (c), though obviously it cannot really be controlled until the Supreme Court decides to exercise its constitutional power in these premises. Since it will tend to postpone that day and to increase the confusion of counsel, I think it regrettable that the opinion here tends to obscure and even to deny this clear-cut schism."

This Court has not passed upon the merits of a trademark or unfair competition case broadly since its decision in **Armstrong Paint & Varnish Works v. Nu-Enamel Corporation** (supra) in 1938. In the instant case, the trial court found, and the Court of Appeals accepted, the finding that there had been deliberate copying and imitation of the well established packaging features of petitioner. Nevertheless, both the trial court and the Court of Appeals failed to give these findings the legal effect which both it and the Court of Appeals of other Circuits have given equivalent findings on likelihood of confusion and also on secondary meaning. This clear-cut "schism", to use the language of Judge Clark's dissenting opinion (supra), amounts to far more than mere differences of view which, "while inconvenient need no apology." The differences involved are fundamental differences in the law which have evolved along different paths in different Circuits and sometimes within the same Circuit. They have never been clarified by this Court and, in the public interest and in the interest of the proper administration of the courts should be reviewed by this Court.

CONCLUSION.

For the reasons stated above and in order that the conflict in the holding of the present case and those of other circuits on questions which have tremendous effect upon all companies engaged in the manufacture and sale of every conceivable type of product, we respectfully submit that this Honorable Court should grant certiorari and take jurisdiction of this cause in order that this conflict in the holdings of the various circuits might be settled.

Respectfully submitted,

JOHN J. HOOKER,
1106 Nashville Trust Building,
Nashville 3, Tennessee,
Attorney for Petitioner.

BEN H. MORRIS,
P. O. Box 1080,
Louisville, Kentucky,

JOE E. DANIELS,
165 Broadway,
New York 6, New York,

CHAUNCEY P. CARTER,
4400 Klingle Street,
Washington 16, D. C.

TYREE B. HARRIS, III,
1106 Nashville Trust Building,
Nashville 3, Tennessee,
Of Counsel.

In the
United States District Court
For the Western District of Kentucky,
Louisville Division.

Jack Daniel Distillery, Inc.,
Plaintiff.

v.

Hoffman Distilling Company,
Defendant.

and

Frank Silverman & Company,
Intervening-Defendant.

Civil.
No. 3532.
Reported in
190 Fed.
Sup. 841.

MEMORANDUM.

(Entered December 15, 1960.)

The plaintiff, Jack Daniel Distillery, Lem Motlow, Prop., Inc., brings this action against Hoffman Distilling Company alleging unfair competition and trademark infringement and seeks to enjoin the intervening defendant, Frank Silverman and Company, a co-partnership doing business as Ezra Brooks Distilling Company, from continuing to imitate its methods of advertising and packaging Jack Daniel's Black Label whiskey.

The evidence shows that the Jack Daniel Distillery was founded in 1866 and remained in the family of the founder until sold to Brown-Forman Distillers Corporation in 1956. It is the only legal distillery in Tennessee and its product is officially recognized by the Alcohol and Tobacco Tax Unit of the Federal Government as one of the four distinct types of whiskey manufactured in the United States, being designated as Tennessee sour mash whiskey as distinguished from bourbon whiskey, scotch whiskey and rye whiskey. The reason for this distinction is at-

tributed to a process employed in the production of Jack Daniel's whiskey. After Jack Daniel's whiskey has been distilled, but before it is put in barrels, it is poured into large vats at the bottom of which there is from eight to ten feet of finely ground, tightly packed, sugar maple charcoal. It requires from eight to ten days from the time the whiskey is placed in these vats until it finally seeps through the charcoal. It is claimed that this process removes impurities and mellows and makes the finished product more palatable. In any event it is generally recognized that Jack Daniel's whiskey has a distinctive taste, and with one minor exception it is also known as the most expensive sour mash whiskey sold.

The Jack Daniel Distillery started as a small distillery in a small town in Tennessee. In 1952, however, national advertising was undertaken and by 1958 approximately 3½ million dollars had been expended in the promotion of its product. Its sales increased by more than 900% in the six-year period ending in 1956, as a result of which Jack Daniel's whiskey became in short supply and it was necessary to place it on allocation limiting wholesale distributors to various percentages of whiskey they had purchased in former years. In April 1957, about a year after Jack Daniel's whiskey became in short supply and had advertised this fact, a whiskey with the brand name of Ezra Brooks was placed on the market for the first time by the intervening defendant. It is this brand that plaintiff alleges unfairly competes in the same market with its brand Jack Daniel's Black Label.

It appears from the evidence that while the intervening defendant does business as the Ezra Brooks Distilling Company, this partnership does not own or operate a distillery. The whiskey that is distributed under its brand is bottled at the Hoffman Distilling Company, a small Kentucky distillery which is a defendant in this action, and

some of the whiskey bottled under the brand name Ezra Brooks is produced by the Hoffman Distilling Company. The rest of the whiskey so marketed is the product of other distilleries manufacturing sour mash bourbon whiskey and is purchased in the open market by the intervening defendant.

Although the brand names Jack Daniel's and Ezra Brooks and the names of the Jack Daniel Distillery and the Ezra Brooks Distilling Company appear prominently on their respective labels, it is clear that many features of the Jack Daniel's package and methods of advertising are imitated by Ezra Brooks. Jack Daniel's uses a square bottle and a black and white wrap-around label. Ezra Brooks employs a square bottle and a black and white wrap-around label. Jack Daniel's on its label uses the words, "90 Proof for Character". Ezra Brooks on its label employs the expression "90 Proof by Choice". Jack Daniel's pictures a small old-time distillery on its label and Ezra Brooks' label follows suit. Jack Daniel's for many years advertised that its whiskey is "Rare Old Sippin' Whiskey" and otherwise uses the word "Sippin'" to describe its product. Ezra Brooks' label bears the legend "Real Sippin' Whiskey". Jack Daniel's has consistently advertised its whiskey as "Charcoal Mellowed Drop by Drop", this expression being a reference to the unique method of filtering its whiskey through charcoal before it is warehoused for aging. Ezra Brooks features on its label the words "Charcoal Filtered" and in its advertising "Every Sip is Mellowed 'Cause Every Drop Is Charcoal Filtered". The charcoal filtration of Ezra Brooks whiskey consists of placing seven ounces of activated charcoal in four hundred gallons of aged whiskey and agitating the whiskey for varying periods of time up to twenty-four hours. Jack Daniel's uses a small black and white cardboard neckpiece on its bottle extolling its whiskey and distillery, and this feature has been adopted

by Ezra Brooks with closely related resemblances both as to appearance and content. From the time Ezra Brooks first came on the market it has also imitated the Jack Daniel's story by advertising that its product was in short supply and Jack Daniel's use of the expression "There isn't quite enough to go around" was matched in Ezra Brooks' advertisements by the statement "There just ain't enuf to go around". This line of advertising was followed by the defendant in spite of the fact that there was no shortage of its supply as the evidence clearly shows that there was always available in the market an ample supply of the type whiskey bottled under the brand name of Ezra Brooks.

From this brief statement of the evidence it is necessarily concluded that all of these similarities were not adopted by accident but that the defendant intentionally copied and imitated the appearance of the well-established and attractive Jack Daniel's Black Label package and advertising techniques for its new and unknown brand Ezra Brooks. The obvious purpose of the copying was to solicit customers of the plaintiff who could not obtain Jack Daniel's whiskey while there was a shortage in supply and also to appeal to all other prospective consumers who would be attracted by the advertising and packaging methods developed by the plaintiff. It is the continuance of these imitating tactics that the plaintiff seeks to enjoin, but regardless of how disapproving the courts may be of such practices, they cannot legislate the morals of the market place, and to sustain its claim for relief the plaintiff must establish by a preponderance of the evidence that the defendant is not merely competing with the plaintiff but is guilty of unfair competition such as is prohibited by law.

The defendant takes the position that even if it should be found it has imitated the Jack Daniel's Black Label

package and advertising methods that such imitations fall far short of actionable unfair competition. It claims that the plaintiff has failed to establish that the purchasing public has been deceived or confused by the similarities of the two brands and asserts that no likelihood of confusion exists because of the obvious differences in the packages and because the two brands are clearly marked both by brand name and by source of manufacture.

The law of unfair competition to be applied to the facts of this case is concisely set forth in the Restatement of Torts, Sec. 741, under the title "Imitation of Appearance", pages 622 and 623.[1] From this statement of the law the

---

[1] ". . . The privilege to engage in business and to compete with others implies a privilege to copy or imitate the physical appearance of another's goods. The public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers. But the privilege to imitate may be limited by legislative enactment. Thus, in order to encourage invention or art, a patent or copyright may, for a limited period of time, protect one's interest in the physical appearance of his goods. The privilege is also qualified by the law of Torts to the extent necessary in order to prevent the sale of one's goods as those of another and to prevent the procurement of the means of imitation by unfair methods.

Sec. 741. Elements of Unprivileged Imitation.

"One who markets goods, the physical appearance of which is a copy or imitation of the physical appearance of the goods of which another is the initial distributor, markets them with an unprivileged imitation, under the rule stated in Sec. 711, if his goods are of the same class as those of the other and are sold in a market in which the other's interest is protected, and

"(a) he copied or imitated the appearance after obtaining access to or procuring the goods, or their labels, wrappers, containers, styles or designs by improper means or in his promise not to copy or imitate them [(a) is not applicable in this case] or

"(b) the copied or imitated feature has acquired generally in the market a special significance identifying the other's goods, and

"(i) the copy or imitation is likely to cause prospective purchasers to regard his goods as those of the other, and

"(ii) the copied or imitated feature is nonfunctional, or, if it is functional, he does not take reasonable steps to inform prospective purchasers that the goods which he markets are not those of the other."

defendant has the right to copy the Jack Daniel's package and advertising unless both (1) the imitated features have acquired generally in the market a special significance identifying the source of the other's goods, that is, have acquired a secondary meaning, and (2) that prospective purchasers will likely be confused by the imitation and misled to believe that Ezra Brooks whiskey was produced by the Jack Daniel Distillery. To establish these two essential requisites of unfair competition, "secondary meaning" and "likelihood of confusion", the plaintiff introduced in evidence an inconclusive market survey which did little more than reflect that plaintiff's products had been advertised, and also introduced the depositions of various retail whiskey dealers. There was no evidence presented, however, that any retail dealer or any representative of the defendant ever sold or passed off or attempted to sell or pass off Ezra Brooks whiskey for Jack Daniel's whiskey, and there was no showing by any witness that a single member of the consumer public was ever confused or misled into buying a bottle of Ezra Brooks whiskey thinking it was Jack Daniel's whiskey. The most the evidence does disclose in addition to the package and advertising copying is that some retail dealers when out of Jack Daniel's whiskey would recommend Ezra Brooks to their customers stating generally that it was a good substitute for Jack Daniel's Black Label and the making of other similar representations in an attempt, not to deceive the customers, but to make a sale by substituting a different brand for the one not on the shelf. This type of evidence does not support the plaintiff's claim that its label, bottle, slogans and expressions by long and continued use and by extensive advertising have combined to create a "brand image" in the public mind and the "brand image" has acquired a secondary meaning. Nor does it support the claim that because of the similarities of the packages and advertising that there is likelihood

of confusion among ordinary retail customers as to the producers of the two brands of whiskey.

In unfair competition the essence of the wrong is the sale of the goods of one manufacturer for those of another. Hanover Star Milling Co. v. Metcalf, 240 U. S. 403; Prestonettes, Inc., v. Coty, 264 U. S. 359; Howe Scale Co. v. Wyckoff, Seamans & Benedict, 198 U. S. 118; Hemmeter Cigar Co. v. Congress Cigar Co., Inc., 118 F. 2d 64 (C. A. 6). Absent a monopoly right such as is conferred by ownership of a valid patent or trademark one has the right to copy a competitor's product, even if he gets a free ride by reaping an advantage from his competitor's advertising, provided he does not deceive the public by passing off his product as that of his competitor. Swank, Inc., v. Anson, Inc., 196 F. 2d 339 (C. A. 1). As pointed out by Judge McAllister in West Point Mfg. Co. v. Detroit Stamping Co., 222 F. 2d 581, 591 (C. A. 6), cert. denied, 350 U. S. 840, there is nothing unlawful in copying the unpatented products of another down to the last detail, except in so far as the resulting similarity may become a means of securing the original producer's customers, through believing that the copied goods are those of the original producer. Citing Auto-Lite Co. v. P & D Mfg. Co., 109 F. 2d 556, 567 (C. A. 2); In Cheney Bros. v. Doris Silk Corp., 35 F. 2d 279, 280 (C. A. 2). In Tas-T Nut Co. v. Variety Date & Nut Co., 245 F. 2d 3 (C. A. 6) it is stated that the identical imitation of the goods of another does not in itself constitute unfair competition. This is so because the public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers. See James Heddon's Sons v. Millsite Steel & Wire Works, Inc., 128 F. 2d 6 (C. A. 6); Dennison Mfg. Co. v. Scharf, 135 F. 625 (C. A. 6); Globe Wernicke Co. v. Fred Macy Co., 119 F. 696 (C. A. 6). And where it does not appear that the public has been moved in any

degree to buy an article because of its source, an action for unfair competition does not lie. American Fork & Hoe Co. v. Stampit Corp., 125 F. 2d 472 (C. A. 6). And quoting from West Point Mfg. Co. v. Detroit Stamping Co., supra, "Confusion for which a copier is held responsible is not confusion resulting from the inability on the part of the public to distinguish between similar articles, but confusion as to the origin, and there is unfair competition only if there is such relationship or analogy between goods of a complainant and those of a copier that ordinary retail purchasers are likely to be deceived as to their origin. Similarity sufficient to justify relief for trademark infringement must be such as would cause confusion of any appreciable number of ordinary prudent purchasers as to source of goods which consumers buy without having two products or their trademarks before them for comparison."

As also stated above the two brands are clearly marked both by brand name and source of production. The Ezra Brooks label prominently carries the name "Ezra Brooks Rare Old Genuine Sour Mash Kentucky Straight Bourbon Whiskey" with the statement "Bottled by Ezra Brooks Distilling Co., Lawrenceburg, Anderson County, Ky." The Jack Daniel's Black Label is conspicuously marked "Jack Daniel's Old No. 7 Brand Quality Tennessee Sour Mash Whiskey" with the statement "Distilled and Bottled by Jack Daniel Distillery, Lem Motlow, Prop., Inc., Lynchburg, Tenn." With the brands so clearly identified there is no likelihood of confusion and an ordinary prudent purchaser interested in source could not be deceived and misled to believe that the Ezra Brooks brand was produced by the Jack Daniel Distillery. See Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169; Kellogg Co. v. National Biscuit Co., 305 U. S. 111.

For the reasons stated plaintiff's claim of unfair competition cannot be upheld.

Plaintiff also seeks trademark protection of its expression "Rare Old Sippin' Whiskey" registered by the Commissioner of Patents in the Supplemental Register on March 15, 1955, under a Certificate of Registration No. 603,460 and under a new Certificate of Registration bearing the same number dated November 27, 1956. The proof discloses, however, that this trademark has been abandoned without intention to renew its use since the latter part of 1953 when the Alcohol and Tobacco Tax Unit prohibited the use of the words "Rare" and "Old" together unless the age of the whiskey was specified. Discontinuance of a trademark with intent not to resume its use for two consecutive years is an abandonment of the trademark. Sec. 45 of the Trademark Act of July 5, 1956 (The Lanham Act), 15 U. S. C. A., Sec. 1127.

Defendant will tender appropriate judgment.

December 15, 1960

Henry L. Brooks,
United States District Judge.

For the Plaintiff:

John J. Hooker, Esquire,
1106 Nashville Trust Building,
Nashville, Tennessee.

Ben H. Morris, Esquire,
Box 1080,
Louisville, Kentucky.

For the Defendants:

Wallace and Cannon,
135 South LaSalle Street,
Chicago 3, Illinois.

John K. Skaggs, Jr., Esquire,
Kentucky Home Life Building,
Louisville, Kentucky.

No. 14514

United States Court of Appeals
For the Sixth Circuit.

Jack Daniel Distillery, Lem Motlow, Prop., Inc., Plaintiff-Appellant, v. Hoffman Distilling Company, Defendant-Appellee, and Frank Silverman & Company, Intervener-Appellee.	On Appeal from the United States District Court for the Western District of Kentucky, Louisville Division. Reported in 208 F. (2d) 606.

Decided February 3, 1962.

Filed Feb. 3, 1962, Carl W. Reuss, Clerk.

Before: Cecil and Weick, Circuit Judges and Darr, Senior District Judge.

Per Curiam. In the District Court plaintiff sought to enjoin the defendants from imitating its methods of advertising and packaging Jack Daniels Black Label Whiskey on the grounds of infringement of its trademark and unfair competition. Plaintiff claimed that it had expended large sums of money in advertising certain expressions and packaging of Jack Daniels products and that they had acquired a secondary meaning identifying them with Jack Daniels whiskey; that defendants were unfairly competing with plaintiff by intentional use of similar expressions and methods of advertising.

The District Judge heard the evidence and in a well-considered opinion, which he adopted as findings of fact and

conclusions of law, dismissed the complaint because of failure of the plaintiff to establish its case. The Court also cancelled plaintiff's trademark on the ground that it had been abandoned for more than two consecutive years without intent to renew its use.

The brand names Jack Daniels and Ezra Brooks and the names of Jack Daniels Distillery and Ezra Brooks Distilling Company appeared prominently on the labels on their respective bottles. Ezra Brooks, however, did adopt or imitate a number of the features employed by Jack Daniels. These were as follows:

1. A square bottle with a black and white wrap-around label.

2. On Jack Daniel's label appeared the words "90 Proof for Character." Ezra Brooks used the expression "90 Proof by Choice."

3. A picture of a small old time distillery on the label.

4. Jack Daniels advertised its whiskey as "Rare Old Sippin' Whiskey" and also used the word "sippin'" in describing the whiskey. Ezra Brook's label stated "Real Sippin' Whiskey."

5. Jack Daniels used the expression "Charcoal Mellowed Drop by Drop." Ezra Brooks featured on its label "Charcoal Filtered" and in its advertising "Every Sip is Mellowed 'Cause Every Drop is Charcoal Filtered."

6. A small black and white cardboard neckpiece on the bottle extolling the whiskey and the distillery.

7. Jack Daniels advertised that its whiskey was in short supply. Ezra Brooks claimed with respect to its whiskey that "There just ain't enuf to go around."

Despite these similarities, the District Court found from the evidence that no retail dealer or any representative of

defendants had ever attempted to sell or pass off Ezra Brooks whiskey for Jack Daniels whiskey. There was no showing that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey thinking it was Jack Daniels whiskey. In other words, the proof did not show that these imitated features had a secondary meaning as identifying the source of the whiskey.

It was not unlawful for Ezra Brooks to copy unpatented products of Jack Daniels so long as they are properly identified and do not mislead the public into believing that Ezra Brooks' products are those of Jack Daniels. **Kellogg Co. v. National Biscuit Co.**, 305 U. S. 111; **Norwich Pharmacal Co. v. Sterling Drug, Inc.**, 271 F. 2d 569 (CA 2); **Speedry Products, Inc. v. Dri Mark Products, Inc.**, 271 F. 2d 646 (CA 2); **Tas-T-Nut Co. v. Variety Nut & Date Co.**, 245 F. 2d 3 (CA 6); **West Point Mfg. Co. v. Detroit Stamping Co.**, 222 F. 2d 581, 591 (CA 6); **Hemmeter Cigar Co. v. Congress Cigar Co., Inc.**, 118 F. 2d 64 (CA 6); **Upjohn Co. v. Merrell**, 269 Fed. 209 (CA 6).

The fact that some of the statements made by Ezra Brooks concerning its product were false and untrue does not make out a case of unfair competition in favor of plaintiff. **Mosler Safe Co. v. Ely-Morris Safe Co.**, 273 U. S. 132; **American Washboard Co. v. Saginaw Mfg. Co.**, 103 Fed. 281 (CA 6).

The findings of fact of the District Judge are supported by substantial evidence and are binding on us. He has applied the correct rules of law.

There was no error in cancelling plaintiff's trademark as the proof established it had been abandoned without intention to renew in the latter part of 1953. 15 U. S. C. A., § 1127.

The judgment of the District Court is affirmed.

No. 14,514.

United States Court of Appeals
For the Sixth Circuit.

Jack Daniel Distillery, Lem Motlow, Prop., Inc.,
Plaintiff-Appellant,

vs.

Hoffman Distilling Company,
Defendant-Appellee,

and

Frank Silverman & Company,
Intervener-Appellee.

ORDER.

(Filed Mar. 7, 1962, Carl W. Reuss, Clerk.)

Before: Cecil and Weick, Circuit Judges and Darr, Senior District Judge.

In our opinion we mentioned that the fact that some of the statements made by Ezra Brooks concerning its product were false and untrue did not give rise to an action for unfair competition in favor of plaintiff. We had in mind the claim of Ezra Brooks "There just ain't enuf to go around", and the picture of an old distillery on its label.

Assuming that Ezra Brooks whiskey was not in short supply we fail to see how this creates a cause of action in favor of plaintiff.

The same is true about the picture of a distillery on its label when its whiskey was manufactured by independent distilleries. The evidence disclosed four other brands of

whiskey using an illustration of an old distillery on their labels.

The other matters presented in the petition for rehearing were previously considered by the Court and we adhere to our opinion.

The petition for rehearing is denied.

Office-Supreme Court, U.S.
FILED
JUN 8 1962
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1961.

No. 950

JACK DANIEL DISTILLERY, LEM MOTLOW, PROP., INC.,
Petitioner,

vs.

HOFFMAN DISTILLING COMPANY AND FRANK SILVERMAN & CO.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI.

CHARLES B. CANNON,
135 South La Salle Street,
Chicago 3, Illinois,
JOHN K. SKAGGS, JR.,
JAMES E. FAHEY,
SKAGGS, HAYS & FAHEY,
Kentucky Home Life Building,
Louisville, Kentucky,
MAX W. PETACQUE,
10 South La Salle Street,
Chicago 2, Illinois,
Attorneys for Respondents.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

INDEX.

		PAGE
1.	Introductory Statement	1-2
2.	Opinions Below	2
3.	Jurisdiction	3
4.	(a) Statement as to Questions Presented	3-5
	(b) Questions Presented	5-8
5.	Statutes Involved	8
6.	Rule Involved	8-9
7.	Statement of the Case	10-17
	(a) In General	10-12
	(b) The Twelve (12) So-Called "Expressions" or Component Elements of the Charge of Unfair Competition as Set Forth in the Complaint	12-13
	(c) Secondary Meaning as Pleaded in the Complaint	13-14
	(d) Likelihood of Confusion as Pleaded in the Complaint	14-15
	(e) The District Court Found That the Petitioner Had Failed to Sustain Its Burden of Proof	15-17
8.	Summary of Argument	18-23
9.	Argument	24-59
	(a) The First Part of Petitioner's "Statement of the Case" Is Merely a Re-Argument of Its Position as Taken in and as Rejected by the District Court for Lack of Evidence, Namely, That Publicity Given to and Advertising and Sales of Petitioner's Whiskey Have Created a So-	

Called "Brand Image" in Petitioner's Whiskey and a Secondary Meaning Therein in the Minds of the Purchasing Public as Indicating the Petitioner as the Source or Origin of Its Whiskey 24-29

1. Petitioner's Attempt to Rely Upon Magazine and Newspaper Publicity Given Its Whiskey (P. Par. 2, pp. 5, 6) and Upon Its Admittedly Abandoned Slogan Trademark "Rare Old Sippin' Whiskey", and Its Reg. No. 603,460 Thereon, Are Without Merit 25-27

2. Petitioner's Contention in Its "Statement of the Case" (P. 5, 6, 7, 8, Pars. 1, 3, 4, 5 and 6) That the Sales and Advertising of Its Whiskey Have Created a So-Called "Brand Image" Is Merely a Reargument of Its Position as Taken in the District Court and Rejected for Lack of Evidence ..27-29

(b) Petitioner's Argument ("Statement of the Case", P. 8, 9, 10, 11, 12) That the Use by Respondents of Certain of the Descriptive Words, Terms, Advertising Slogans, Etc., Which Are Included Among the Twelve (12) Component Elements of the Charge of Unfair Competition Relied Upon in the Complaint, Establishes a Secondary Meaning Therein, and Likelihood of Confusion With Respondents' Whiskey Package, Is Completely Fallacious and Was Rejected by the District Court 29-32

(c) As to the First Reason Relied Upon in Support of the Petition (P. 12-17) 33-40

1. Contrary to the First Ground Advanced by the Petitioner in Support of the First Reason Relied Upon for

the Grant of the Writ, Neither the District Court Nor the Court of Appeals Based Its Dismissal of Petitioner's Action on the Ground That There Was No Showing of Any Actual Confusion Between Respondents' Whiskey Package and That of Petitioner 33-36

2. The Second Ground Relied Upon in Support of the First Reason Asserted for the Granting of the Writ, Namely, That the Decision of the Court of Appeals Below Is in Conflict With the Decisions of the Courts of Appeals for the Second and Sixth Circuits, Is Without Merit Because the Specific Factual Situation Here Involved Has Never Been Previously Litigated ... 36-40

(d) The Second Reason Relied Upon by Petitioner for the Grant of the Writ (P. 18, 20), Namely, That the Decision of the Court of Appeals for the Sixth Circuit in the Case Below Is in Conflict With Certain Decisions of the Court of Appeals for the Second Circuit Is Likewise Without Merit Because the Facts in the Cited Cases Were Totally Different From the Facts in the Case Below 41-44

(e) The Third Reason Relied Upon by the Petitioner for the Grant of the Writ (P. 12, 20-23), Namely, That the Effect of the Decision of the Court of Appeals Was That Proof of Actual Confusion Must Be Shown to Establish Secondary Meaning, Is Inaccurate and Misleading Because the Court Did Not So Hold, and Its Decision Is in No Way in Conflict With the Decisions of Any Other Courts 44-49

(f) The Opinion of the Court of Appeals Below Is in No Way in Conflict With the Decisions of the Court of Appeals for the Third Circuit or With the Unfair Competition Section of the Federal Trademark Act of July 5, 1946 (The Lanham Act), Sec. 43(a) (15 USCA Sec. 1125a), and Hence the Fourth Reason Advanced for the Grant of the Writ Is Without Merit 50-53

(g) The Fifth Reason Asserted by the Petitioner for the Grant of the Writ, Namely, That the Decision of the Court of Appeals Presents a Question of Public Importance, Is Without Merit Because the Action Below Was a Purely Private Controversy Involving a Particular Fact Situation Having No Relationship to and Not Being in Conflict With the Decision of Any Other Court in Any Other Case 53-59

10. Conclusion 59

Appendix 61-77

1. Memorandum Opinion of the District Court entered December 15, 1960 61-70

2. Judgment of the District Court entered January 9, 1961 71-72

3. Per Curiam Opinion of the Court of Appeals Decided February 3, 1962 73-75

4. Order of the Court of Appeals Denying Petition for Rehearing 76-77

List of Authorities

Cases Cited.

American Chicle Co. v. Topps Chewing Gum, Inc., 208 F. (2d) 560 (CA 2) 38

American Washboard Co. v. Saginaw Mfg. Co., 103 F. 281 (CA 6) 31, 50

Armstrong Paint & Varnish Works v. Nu-Enamel Corporation, 305 U. S. 315, 83 L. ed. 195 ..... 33, 36

Barton, et al. v. Rex Oil Co., Inc., 2 F. (2d) 402, 405 (CA 3) (1924) 46, 47

Best & Co. Inc. v. Miller, 167 F. (2d) 374, 377 (CA 2) (1948) 42, 43

Hemmeter Cigar Co. v. Congress Cigar Co., Inc., 118 F. (2d) 64 (CA 6) (1941) 31

Hyde Park Clothes, Inc. v. Hyde Park Fashions, Inc., 204 F. (2d) 223 (CA 2) (1953) 58

Jack Daniel Distillery, Inc. Etc. v. Hoffman Distilling Company, 190 F. Supp. 841 (D. C. W. D. Ky.) (1960) 2

Jack Daniel Distillery, Lem. Motlow, Prop., Inc. v. Hoffman Distilling Company, et al., 298 F. (2d) 696 (CA 6) (1962) 2

Kahn's Sons, E., Co. v. Columbus Packing Co., 82 F. (2d) 897 (CA 6) 58

Kellogg Company v. National Biscuit Company, 305 U. S. 111 ..... 17, 31

L'Aiglon Apparel, Inc. v. Lana Lobell, Inc., 214 F. (2d) 649 ..... 50, 51

LaTouraine Coffee Co., Inc. v. Lorraine Coffee Co., Inc., et al., 157 F. (2d) 649 (CA 2) (1946) 41, 42

Macy & Co., Inc., R. H. v. Colorado Clothing Mfg. Co., 68 F. (2d) 690, 692 (CA 10) (1934) 47

Macy & Co., Inc., R. H. v. The Richter and Phillips Company, 115 USPQ 342; 344 26

Mastercrafters Clock and Radio Co. v. Vacheron & Constantin-LeCoultre Watches, Inc., et al., 221 F. (2d) 464 (CA 2) (1955) (Cert. denied 350 U. S. 832) 37-38

Miles Shoes, Inc. v. R. H. Macy & Co., Inc., 199 F. (2d) 602, 603 (CA 2) (1952) 43-44

Mishawaka Rubber & Woolen Manufacturing Company v. S. S. Kresge Company, 316 U. S. 203, 86 L. ed. 1381 56

Mosler Safe Co. v. Ely-Morris Safe Co., 273 U. S. 132, 47 S. Ct. 314, 71 L. ed. 31, 50

My-T-Fine Corporation v. Samuels, et al., 69 F. (2d) 76 (CA 2) (1934) 37, 55

Norwich Pharmacal Company v. Sterling Drug, Inc., 271 F. (2d) 569 (CA 2) (1959) 31

Parkway Baking Company, Inc. etc. v. Freihofer Baking Company (Inc.), etc., 255 F. 2d 641, 648, 649 (CA 3) (1958) 52-53

Pecheur Lozenge Co., Inc. v. National Candy Company, Inc., 315 U. S. 666, 86 L. ed. 1103 (1942) 57

Q-Tips, Inc. v. Johnson & Johnson, 206 F. (2d) 144 (CA 3) (1953) 54

Sidney Steele et al. v. Bulova Watch Company, Inc., 344 U. S. 280, 97 L. ed. 319 57

Speed Products Co., Inc. v. Timmermann Products, Inc., 179 F. (2d) 778, 780, 781 (CA 2) (1949) 43

Speedry Products, Inc. v. Dri Mark Products, Inc., Etc., 271 F. (2d) 646 (CA 2) (1959) 31

Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169 17

Tas-T-Nut Company v. Variety Nut & Date Company, 136 F. Supp. 775, 777 40

Tas-T-Nut Company v. Variety Nut & Date Company, 245 F. (2d) 3, 5, 7 (CA 6) (1957) 20-21, 31, 39-40, 49

Thum Co., O. & W. v. Dickinson, 245 Fed. 609 (CA 6) 58

Time, Inc. v. Life Television Corp., 123 Fed. Supp. 470, 474 (D. C. Minn.) 48-49

United Drug Company v. Theodore Rectanus Company, 248 U. S. 90, 63 L. ed. 141 54-55

Upjohn Co. v. Wm. S. Merrell Chemical Co., 269 F. 209 (CA 6) (1920) 31

West Point Manufacturing Company v. Detroit Stamping Company, 222 F. 2d 581, 591 (CA 6) (1955) 31, 38

Wisconsin Electric Co. v. Dumore Co., 35 F. (2d) 555 (CA 6) (1929) 49

Statutes Cited.

USCA, Title 15, Sec. 1057(b) 8

USCA, Title 15, Sec. 1072 8

USCA, Title 15, Sec. 1094 8

USCA, Title 15, Sec. 1125(a) (Sec. 43a, Trademark Act of July 5, 1946, The Lanham Act) 7, 8, 22, 50, 51, 53

USCA, Title 15, Sec. 1127 (Sec. 45, Trademark Act of July 5, 1946, The Lanham Act) 4

Text Books Cited.

Leeds (Mrs. Daphne Robert), "The New Trademark Manual" (The Bureau of National Affairs, Inc., Washington, D. C., 1947) page 151 26

Restatement of Torts, Sec. 741, "Imitation of Appearance," pages 622 and 623 ..... 21, 22, 34, 41, 44

Restatement of Torts, Sec. 716, Comment b, "Secondary Meaning," page 650 47-48

Rule Cited.

Rule 19 of the Rules of the Supreme Court of the United States 8-9

IN THE

Supreme Court of the United States

OCTOBER TERM, 1961.

No. 950.

JACK DANIEL DISTILLERY, LEM MOTLOW, PROP., INC.,
Petitioner,

vs.

HOFFMAN DISTILLING COMPANY AND FRANK SILVERMAN & CO.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI.

To the Honorable Chief Justice and the Associate Justices of the Supreme Court of the United States:

INTRODUCTORY STATEMENT.

The petitioner, being dissatisfied with the adverse decision and judgment of the Court of Appeals for the Sixth Circuit, which affirmed in full the judgment of the District Court for the Western District of Kentucky, dismissing petitioner's complaint for failure to establish by evidence its charges of unfair competition and trademark infringement, seeks to have this Court review and readjudicate the

case below which involved a controversy of purely private interest among the parties and which was concerned with a factual situation never previously litigated in any court, and involved no conflict of decisions, whatever, no constitutional question, and no question of public importance. There is, therefore, no basis, whatever, for the grant of the writ prayed for.

—2—

OPINIONS BELOW.

The Memorandum Opinion of the District Court for the Western District of Kentucky (Hon. Henry L. Brooks) was filed December 15, 1960 and is reported in 190 F. Supp. 841, and the judgment of that court dismissing the complaint was entered January 7, 1961 and adopted its Memorandum Opinion as its Findings of Fact and Conclusions of Law (App. p. 71, 72)* (R. 184a, 185a). The Court of Appeals for the Sixth Circuit, in a *per curiam* opinion filed February 3, 1962 (App. p. 73-75) affirmed the judgment of the District Court, in all respects, and this opinion is reported in 298 F. (2) 606. Thereafter the petitioner herein filed a Petition for a Rehearing in the Court of Appeals and on March 7, 1962 the Court of Appeals rendered a further and supplemental opinion and entered an unreported order denying the Petition for Rehearing (App. p. 76, 77). The mandate of the Court of Appeals subsequently issued and no attempt was made by the petitioner to stay the mandate or to recall it.

* All references to the Appendix to this brief are indicated as "App."

—3—

JURISDICTION.

The jurisdiction of this Court is, as set forth in the Petition (P. 2),* based on Title 28 USCA, Sec. 1254 (Par. 1), and the petition is timely under Title 28 USCA, Sec. 2101(c).

—4—

—a—

STATEMENT AS TO QUESTIONS PRESENTED.

The petitioner's statement of the "Questions Presented" (P. 3, 4) is misleading, inaccurate and incomplete.

The questions presented to this Court cannot properly be understood without reference to the charges of trademark infringement and unfair competition set forth in the complaint and the decisions of the lower courts thereon, which will now be briefly summarized.

The petitioner has never at any time contended that the respondents' trademark EZRA BROOKS in any way infringes the petitioner's trademark JACK DANIEL'S, these being the two trademarks under which the whiskey packages of the respondents and the petitioner, respectively, are sold.

The complaint did, however, allege infringement by respondents of a slogan trademark claimed by petitioner and consisting of the expression "Rare Old Sippin' Whiskey" and of a trademark registration thereon, No. 603,460 (Complaint, Par. 2, R. 8a, 9a). The District Court found that this trademark and the registration thereon were invalid because the claimed slogan trademark had been abandoned

* All references herein to the petition for a writ of certiorari are indicated as "P".

by the petitioner, without intent to resume, since the latter part of the year 1953, approximately four (4) years before the complaint alleging infringement thereof was filed in December, 1957. Applying Sec. 45 of the Trademark Act of July 5, 1946 (The Lanham Act), 15 USCA Sec. 1127, which holds that discontinuance of a trademark with intent not to resume its use for two consecutive years, is an abandonment, the District Court ordered trademark Registration No. 603,460 cancelled (Judgment, Par. 2 R. 185a and App. p. 72, Par. 2). The Court of Appeals affirmed the District Court's action in thus cancelling petitioner's trademark Reg. No. 603,460 (App. p. 73-75).

The petition does not request this court to review the judgment of the lower courts as to their holding of abandonment of petitioner's claimed slogan trademark "Rare Old Sippin' Whiskey", or the cancellation of its Reg. No. 603,460 thereon, and hence the judgment of the lower courts as to the only alleged trademark infringement phase of the complaint is not raised in the petition.

The balance of the complaint was concerned with a charge of alleged unfair competition which involved a claim by the petitioner to an exclusive right to the use of twelve (12) different so-called "expressions" (as they were called in the complaint (Pars. 2 & 5, R. 8a, 9b, 10c, 11a)), which constitute the component elements of the charge of unfair competition, and all of which relate to the petitioner's whiskey package sold under its trademark JACK DANIEL'S or to advertising matter relative thereto. The claim to an exclusive right to the use of these twelve (12) so-called "expressions" or component elements of the charge of unfair competition was based upon a claim to a secondary meaning in each and all of these "expressions" and to alleged likelihood of confusion in the market between petitioner's JACK DANIEL'S Black Label whiskey pack-

age and respondents' EZRA BROOKS whiskey package (Complaint, Par. 5, R. 10a, 11a).

The issue, therefore, before the lower courts was as to whether or not the petitioner had sustained its burden of proof in establishing its claim to an exclusive right to the use of the twelve (12) so-called "expressions" or component elements of the charge of unfair competition, set forth in the complaint, by proving the two essential elements of proof required to sustain such a charge of unfair competition, namely, (1) secondary meaning and (2) likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S whiskey package. The District Court held (Memorandum, R. 175a-183a, Judgment, R. 184a-185a, and App. p. 61-70), that the petitioner had failed to establish, by evidence, its burden or proof of secondary meaning and likelihood of confusion, and the Court of Appeals affirmed the District Court in this and all other respects.

It will thus be seen that the action below involved a charge of unfair competition between the respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S whiskey package and the purely factual question of whether or not the petitioner had sustained, by evidence, its burden of proof of the two essential elements of proof required to sustain the charge of unfair competition, namely, (1) proof of secondary meaning, and (2) proof of likelihood of confusion.

The questions presented to this court by the petition are, therefore as follows:

— b —

QUESTIONS PRESENTED.

Contrary to the questions which the petitioner asserts are presented to this court (P. 3, 4), the questions presented in the petition herein are concerned entirely and only with

the facts involved in and the evidence offered by the petitioner in the trial court, and the application of the established principles of unfair competition law thereto, and are as follows:

1. The District Court for the Western District of Kentucky and the Court of Appeals for the Sixth Circuit properly applied the well established law of unfair competition in holding that the petitioner had failed to establish, by evidence, an exclusive right in and to the use of any of the twelve (12) "expressions" or component elements of the charge of unfair competition set forth in the complaint, because the petitioner had failed to establish, by evidence, either of the two essential elements of proof necessary to sustain such an action for unfair competition, namely, (1) secondary meaning in any of such "expressions" or component elements of the charge of unfair competition, and (2) likelihood of confusion between the respondents' EZRA BROOKS whiskey package and the petitioner's JACK DANIEL'S Black Label whiskey package;

2. The Court of Appeals and the District Court did not err in holding that the respondents had not been guilty of actionable unfair competition in employing certain of the descriptive "expressions" or component elements of the charge of unfair competition, and certain of the petitioner's advertising techniques, where, as here, the petitioner had completely failed to establish, by evidence, any secondary meaning in any of such "expressions" or component elements of the charge of unfair competition as indicating to the purchasing public the petitioner as the source or origin of petitioner's JACK DANIEL'S Black Label whiskey package;

3. While both the District Court and the Court of Appeals held, and in their opinions noted, that there was no

evidence of any actual confusion between the respondents' EZRA BROOKS whiskey package and the petitioner's JACK DANIEL'S Black Label whiskey package, neither court held that proof of actual confusion is necessary to support an action for unfair competition and both courts properly applied the well established law that proof of likelihood of confusion is sufficient to support an action for unfair competition of the character here involved if the other essential element of proof of such an action for unfair competition, namely, proof of secondary meaning, is established by evidence;

4. The decisions of the District Court and of the Court of Appeals for the Sixth Circuit, holding that there was no likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S Black Label whiskey package, are in accordance with the well established law of unfair competition and are in no way in conflict with the decisions of any other Court of Appeals;

5. The use by respondents of certain advertising slogans and expressions which employed the old and well known short supply sales motif, which was also employed by the petitioner, in representing as to the respondents' whiskey that "There just ain't enuf to go around", and the reference by respondents to their whiskey being distilled in "The Smallest Distillery in Kentucky", and which may not always have been literally true, does not support an action for unfair competition, under Sec. 43(a) of the Lanham Act (Title 15 USCA, Sec. 1125(a)), where, as here, there was no evidence to establish that any member of the purchasing public ever recognized any of such "expressions" or component elements of the charge of unfair competition as indicating the petitioner as the source or origin or petitioner's whiskey or relied thereon as an indication of its source of origin or was confused thereby; and

6. The decisions of the District Court and of the Court of Appeals were based solely and entirely upon the facts of the action below and there is no question of any conflict between the decisions of the courts below and the decisions of any other court, nor is there any constitutional question, or question of public importance, here involved.

—5—

STATUTES INVOLVED.

Since, as pointed out above, the petitioner has waived any further reliance upon the charge of trademark infringement set forth in the complaint (Complaint, Par. 2, R. 8b, 9a) the trademark statute (Act of July 5, 1946, the Lanham Act, 15 USCA, Secs. 1057(b), 1072, and 1094) is no longer here involved, *per se*, and the only statute relied upon by the petitioner is that to which reference is made in the petition (P. 4), namely, the unfair competition section (Sec. 43a) of the Trademark Act of July 5, 1946, the Lanham Act, Title 15 USCA, Sec. 1125(a), which the petitioner asserted for the first time, apparently as an afterthought, in the Petition for Rehearing in the Court of Appeals.

—6—

RULE INVOLVED.

Rule 19 of the Rules of the Supreme Court of the United States.

Rule 19 of the Rules of this Court is, in part, particularly applicable to the facts of the case below as showing that there is no basis, whatever, for the grant of the writ sought by the petitioner, the applicable portions of this rule reading as follows:

"19.

CONSIDERATIONS GOVERNING REVIEW ON CERTIORARI.

1. A review on writ of certiorari is not a matter of right, but of sound judicial discretion, and will be granted only where there are special and important reasons therefor. The following, while neither controlling nor fully measuring the court's discretion, indicate the character of reasons which will be considered:

(a) Where a state court has decided a federal question of substance not theretofore determined by this court, or has decided it in a way probably not in accord with applicable decisions of this court.

(b) Where a court of appeals has rendered a decision in conflict with the decision of another court of appeals on the same matter; or has decided an important state or territorial question in a way in conflict with applicable state or territorial law; or has decided an important question of federal law which has not been, but should be, settled by this court; or has decided a federal question in a way in conflict with applicable decisions of this court; or has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such a departure by a lower court, as to call for an exercise of this court's power of supervision."

None of these conditions is present in the action below, which the petition seeks to have this court review, as will be shown hereinafter.

— 7 —

STATEMENT OF THE CASE.

— a —

In General.

The action below was for alleged trademark infringement and unfair competition and was brought by the petitioner, Jack Daniel Distillery, Lem Motlow, Prop., Inc., a Tennessee corporation, (a wholly owned subsidiary of Brown-Forman Distillers Corporation), having a place of business at Lynchburg, Moore County, Tennessee.

The original respondent, Hoffman Distilling Company, manufactures and bottles for the intervener-respondent, Frank Silverman & Company, a Kentucky Straight Bourbon Whiskey which is sold by the latter under its trademark EZRA BROOKS (DX 26, 27 and 30). In addition, the intervener-respondent has also purchased approved Kentucky Straight Bourbon Whiskey, of suitable quality, from other sources, which has been bottled for it by the original respondent and sold under the trademark EZRA-BROOKS.

Petitioner manufactures and sells Tennessee Sour Mash Whiskey under three different brand names, namely, JACK DANIEL'S BLACK LABEL (aged five years) (DX 2, 3, and 7), JACK DANIEL'S GREEN LABEL (aged four years) (DX 8) and LEM MOTLOW (aged one year) (DX 1). All of these three brands of petitioner's whiskey are made by the same process and differ from each other only in age (Reagor Motlow, R. 103b, 104b).

The petitioner's trademark, namely, JACK DANIEL'S, and the respondents' trademark EZRA BROOKS are not, *per se*, involved in this action since petitioner does not contend that respondents' trademark EZRA BROOKS

in any way infringes upon or otherwise violates any right of petitioner in its trademark JACK DANIEL'S.

The case was tried upon the issues raised by the petitioner's complaint, the answers and declaratory judgment counterclaims of the respondents, and petitioner's replies thereto. At the close of the trial petitioner was allowed a further period of time in which to take public opinion survey depositions in San Francisco, Los Angeles, Dallas, Chicago, New Orleans and Miami, which was done by the petitioner in an attempt to establish the two (2) essential elements of its proofs, namely (1) secondary meaning in the twelve (12) so-called "expressions" or component elements of the charge of unfair competition relied upon in the complaint as indicating to the public the petitioner as the source or origin of its whiskey; and (2) likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S Black Label whiskey package. These survey depositions and accompanying exhibits, and petitioner's survey report, were thereafter received in evidence and made a part of the record but the entire survey, and the other evidence offered by petitioner, were held insufficient to establish proof of secondary meaning or likelihood of confusion (Memorandum Opinion, R. 18a, App. 66, 67).

While the complaint was based largely upon a charge of unfair competition, it also relied, in part, upon a charge of trademark infringement (Complaint, Par. 2, R. 8a, 9a) based upon petitioner's trademark Reg. No. 663,460 which was registered in the United States Patent Office on March 15, 1955 to petitioner's predecessor in business, and re-registered to petitioner on November 27, 1956, for the claimed slogan trademark "Rare Old Sippin' Whiskey", for use on whiskey. This registration was granted on the Supplemental Register of the Federal Trademark Act of July 5, 1946, known as the Lanham Act.

claiming use of this slogan trademark since October 15, 1952.

Petitioner contended (Complaint, Pars. 3, 5 and 6, R. 9a, 10a, 11a) that respondents' use of the expression "Real Sippin' Whiskey" infringed its claimed slogan trademark "Rare Old Sippin' Whiskey", and its Reg. No. 663,460 thereon, and competed unfairly with petitioner.

The charge of unfair competition, as set forth in the complaint (Pars. 2-6, R. 8a-11a), was based upon petitioner's claim to a proprietary right in and to certain aspects of petitioner's JACK DANIEL'S BLACK LABEL whiskey package and in and to various words, terms, slogans and other "expressions" used on petitioner's labels, or in its advertising, the square shape of petitioner's bottles, etc., which will be specifically referred to hereinafter.

—b—

The Twelve (12) So-Called "Expressions" or Component Elements of the Charge of Unfair Competition as Set Forth in the Complaint.

The charge of unfair competition, as set forth in the complaint (Par. 2, R. 8a, 9a), is based upon (1) petitioner's claim to an exclusive right to the use of twelve (12) different so-called "expressions" or component elements which constitute the charge of unfair competition, plus (2) alleged likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S Black Label whiskey package. The exclusive proprietary right claimed in these twelve (12) so-called "expressions" or component elements of the charge of unfair competition is based upon an alleged secondary meaning therein, as recited in Paragraph 5 of the Complaint (R. 10a, 11a).

Thus, petitioner alleges (Complaint, Par. 2, R. 8a, 9a) that for some years petitioner's JACK DANIEL'S whiskey has been sold by petitioner;

(1) in square bottles or containers, to which there is applied
(2) a black and white label; bearing the words
(3) "Jack Daniel's Old Time Quality Tennessee Sour Mash Whiskey"; that the petitioner's bottle bears
(4) a neckpiece; on which appear the words
(5) "The Only Whiskey Charcoal Mellowed Drop by Drop"; that said neckpiece bears
(6) a drawing or reproduction of the burning of wood to make charcoal; that petitioner in its sales, distribution, advertising and marketing of its product has used and is using the expressions
(7) "Sippin' Whiskey" and
(8) "Old Sippin' Whiskey"; and
(9) "Rare Sippin' Whiskey"; that petitioner's label bears
(10) a picture or reproduction of an old distillery; and that petitioner's whiskey is
(11) —bottled and sold at 90 Proof, and is advertised under the expression
(12) "90 Proof by Choice."

— c —

Secondary Meaning as Pleaded in the Complaint.

Petitioner's claim to an exclusive right to the use of the twelve (12) so-called "expressions" or component elements of the charge of unfair competition, which are set forth in Par. 2 of the Complaint (R. 8a, 9a), is based upon a claim to secondary meaning in these so-called "expressions" as allegedly establishing that the purchasing public associates these "expressions" with the petitioner as the source or origin of petitioner's whiskey.

Thus, in Par. 5 of the Complaint (R. 10a, 11a) the petitioner makes the following claim to secondary meaning:

> "Plaintiff charges that the use by it of the expressions described in Paragraph 2 hereof over a long period of time has given to said expressions in the plaintiff's advertising, packages and point of purchase material, a secondary meaning, which peculiarly identifies these expressions as being connected with the names 'Jack Daniel's' and 'Jack Daniel's Whiskey,' * *."

It is clearly established, therefore, by petitioner's own pleading (Complaint, Pars. 2 and 5, R. 8a, 9a, 10a, 11a), that petitioner's claim to an exclusive right to the use of, and to a monopoly in, the twelve (12) so-called "expressions" or component elements of the charge of unfair competition, as set forth in Paragraph 2 of the complaint, is based upon a claim to secondary meaning therein as identifying each of these "expressions" as indicating, to the purchasing or consumer public, the petitioner as the source or origin of petitioner's whiskey.

— d —

Likelihood of Confusion as Pleaded in the Complaint.

Following the claim to "secondary meaning" in the twelve (12) various "expressions" or component elements relied upon in support of the charge of unfair competition, as set forth in the complaint, as above, petitioner alleged confusion between its JACK DANIEL'S Black Label whiskey package and respondents' EZRA BROOKS whiskey package as follows (Complaint, Par. 5, R. 10a, 11a):

> "* * * that defendant's use of similar expressions, methods of advertising, representation of short supply, square bottles with a black and white label, neck-pieces, and other similarities heretofore mentioned,

amount to unfair competition, having the effect of confusing defendant's product with that of plaintiff's product, and amounting to a misrepresentation to the consumer public."

Thus, it will be noted that petitioner's claim to relief, as pleaded in the complaint, is based upon a claim to secondary meaning in the descriptive term "sippin' ", and in the other eleven (11) so-called "expressions" or component elements of the charge of unfair competition, plus likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S Black Label whiskey package.

—e—

The District Court Found That the Petitioner Had Failed to Sustain Its Burden of Proof.

The District Court in its opinion of December 15, 1960 (R. 180a) specifically found that the petitioner had failed to sustain its burden of proof by establishing, by evidence, either of the two (2) essential elements of its charge of unfair competition, namely, (1) a secondary meaning in the various "expressions" or component elements of the charge of unfair competition, plus (2) likelihood of confusion between the respondents' whiskey package and the petitioner's whiskey package. In so finding the District Court stated, in part, as follows (Opinion, December 15, 1960, R. 180a, 182a, App. p. 66-69):

> "To establish these two essential requisites of unfair competition, 'secondary meaning' and 'likelihood of confusion', the plaintiff introduced in evidence an inconclusive market survey which did little more than reflect that plaintiff's products had been advertised, and also introduced the depositions of various retail whiskey dealers. There was no evidence presented, however, that any retail dealer or any representative of the defendant ever sold or passed off or attempted

to sell or pass off Ezra Brooks whiskey for Jack Daniel's whiskey, and there was no showing by any witness that a single member of the consumer public was ever confused or misled into buying a bottle of Ezra Brooks whiskey thinking it was Jack Daniel's whiskey. The most the evidence does disclose in addition to the package and advertising copying is that some retail dealers when out of Jack Daniel's whiskey would recommend Ezra Brooks to their customers stating generally that it was a good substitute for Jack Daniel's Black Label and the making of other similar representations in an attempt, not to deceive the customers, but to make a sale by substituting a different brand for the one not on the shelf. This type of evidence does not sustain the plaintiff's claim that its label, bottle, slogans and expressions by long and continued use and by extensive advertising have combined to create a 'brand image' in the public mind and the 'brand image' has acquired a secondary meaning. Nor does it sustain the claim that because of the similarities of the packages and advertising that there is likelihood of confusion among ordinary retail customers as to the producers of the two brands of whiskey."

* * * * * *

"As also stated above the two brands are clearly marked both by brand name and source of production. The Ezra Brooks label prominently carries the name 'Ezra Brooks Rare Old Genuine Sour Mash Kentucky Straight Bourbon Whiskey' with the statement 'Bottled by Ezra Brooks Distilling Co., Lawrenceburg, Anderson County, Ky.' The Jack Daniel's Black Label is conspicuously marked 'Jack Daniel's Old No. 7 Brand Quality Tennessee Sour Mash Whiskey' with the statement 'Distilled and Bottled by Jack Daniel Distillery, Lem Motlow, Prop., Inc., Lynchburg, Tenn.' With the brands so clearly identified there is no likelihood of confusion and an ordinary prudent purchaser interested in source could not be deceived and misled to believe that the Ezra Brooks brand was produced by

the Jack Daniel Distillery. See *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S. 169; *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111.

For the reasons stated plaintiff's claim of unfair competition cannot be upheld."

In the Court of Appeals the petitioner abandoned entirely the public opinion survey on which it had relied in the District Court in its attempt to establish both secondary meaning and likelihood of confusion, and did not contest the finding of the District Court that the petitioner's survey was "inconclusive" (Opinion of Dec. 15, 1960, R. 180a, App. p. 66).

In its opinion of February 3, 1962 (App. p. 73-75) the Court of Appeals affirmed the judgment of the District Court in all respects, including the finding of the District Court that the petitioner had failed to establish the two essential elements of its proofs, namely, (1) secondary meaning in the various component elements of the charge of unfair competition, and (2) likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S Black Label whiskey package.

It will thus be seen that the complaint in the case below was dismissed because of the failure of the petitioner to establish, by evidence, the two essential elements of its proofs in an unfair competition action of the character here involved.

That both of the lower courts were correct in so holding, and that there is no basis for the grant of the writ prayed for, will now be shown.

— 8 —

SUMMARY OF ARGUMENT

— a —

None of the evidence in the District Court, including publicity given to petitioner's whiskey, petitioner's public opinion survey, depositions of retail dealers, etc., established that any of the twelve (12) component elements of the charge of unfair competition relied upon in the complaint (Complaint, Par. 2, R. 8a, 9a) had acquired any secondary meaning as indicating to the purchasing public the petitioner as the source or origin of petitioner's JACK DANIEL'S whiskey:

— b —

Petitioner's Reg. No. 630,460 of its now abandoned slogan trademark "Rare Old Sippin' Whiskey", having been on the Supplemental Register provided for by the Federal Trademark Act of July 5, 1946 (the Lanham Act) does not constitute any evidence that the Patent Office or the purchasing public ever recognized this slogan trademark, or the descriptive term "sippin' " embodied therein, as having acquired any trademark significance as indicating the petitioner as the source or origin of petitioner's whiskey:

— c —

The petitioner's contention that publicity given to its whiskey, in magazines, newspapers, and the like, and its advertising of its whiskey have, per se, established a so-called "brand image" in its whiskey, which is recognized by the purchasing public as indicating the petitioner as the source or origin of its whiskey, is entirely fallacious

for the reason that this was the very point that petitioner attempted to establish by its public opinion survey, depositions of retail dealers, and other evidence, but all of which evidence was rejected by the District Court and the Court of Appeals, as failing to establish any such so-called "brand image";

— d —

Petitioner's so-called "brand image" of its whiskey package admittedly included its trademark JACK DANIEL'S (R. 158b), as established by the testimony of its own advertising agent, David Ferris (R. 156b-159b), and since respondents' EZRA BROOKS whiskey package does not include petitioner's trademark JACK DANIEL'S, it is impossible for respondents' whiskey package to create the same so-called "brand image" in the minds of the purchasing public as that alleged to have been created by petitioner's whiskey package, if any;

— e —

The District Court and the Court of Appeals were correct in holding that respondents' use of certain of the descriptive terms, words, advertising slogans, etc., employed by the petitioner, did not establish a secondary meaning in any of these component elements of the charge of unfair competition, or any likelihood of confusion between the respondents' whiskey package and petitioner's whiskey package, since the evidence showed that none of these descriptive terms, words, advertising slogans, etc. were adopted or used by the respondents for the purpose of enabling respondents to pass off their EZRA BROOKS whiskey package as or for the petitioner's JACK DANIEL'S whiskey package;

— f —

Contrary to the petitioner's contention, the District Court did not base its dismissal of the complaint on the fact that there was no evidence of any actual confusion between the respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S whiskey package, since the District Court based its dismissal of the complaint upon the petitioner's failure to establish, by evidence, the two essential elements of the proofs required to sustain an action for unfair competition of the character here involved, namely, (1) proof of secondary meaning in the component elements of the charge of unfair competition as indicating the petitioner as the source or origin of its whiskey, and (2) likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S whiskey package;

— g —

There is no conflict between the decision of the Court of Appeals below and the decision of any other Court since the action below was and is a purely private controversy involving a very specific factual situation which has never previously been involved in any litigation among the parties below, or otherwise, and hence the numerous cases cited by the petitioner, involving other and different fact situations, have no application whatever to the specific facts involved in the action below;

— h —

The case of *Tas-T-Nut Co.* v. *Variety Nut and Date Co.*, 245 F. (2d) 3, 7 (CA 6) (P. 12, 16, 17), relied upon by petitioner (P. 12, 17, 20, 23, 29), has no application to the facts in the present case because in that case the District Court specifically found that the evidence had established that plaintiff's nut package had acquired a special significance

or secondary meaning as indicating to the purchasing public the plaintiff as the source or origin of its nut package, whereas, the petitioner in the present action below completely failed to establish that its whiskey package had acquired any secondary meaning in the minds of the purchasing public as indicating the petitioner as the source or origin of its whiskey package;

—i—

Petitioner's contention that the effect of the decisions of the District Court and of the Court of Appeals is that proof of actual confusion must be established to support an action for unfair competition of the character here involved is without merit for the reason that neither the the District Court nor the Court of Appeals held or established any such proposition of law. This is because the Court of Appeals affirmed the Findings of Fact and Conclusions of Law of the District Court which properly applied the law of the Restatement of Torts, Sec. 741, under the title "Imitation of Appearance", p. 622 and 623, which holds that petitioner, to support an action for unfair competition of the character here involved must establish by evidence two essential elements of the proofs of such an action for unfair competition, namely, (1) secondary meaning and (2) likelihood of confusion. The District Court's dismissal of the complaint was based upon petitioner's failure to establish these two essential elements of its proofs and the Court of Appeals was correct in affirming the District Court in this regard;

—j—

The Court of Appeals was correct in holding that respondents' use of the admittedly old short supply motif in its sales and advertising techniques, and the use of

the expression "There just ain't enuf to go around", and the picture of an old distillery on the respondents' label, did not establish a cause of action for unfair competition under the applicable decisions, or under the so-called unfair competition section of the Federal Trademark Act of July 5, 1946 (the Lanham Act), Sec. 43(a), 15 USCA Sec. 1125a), because to sustain such an action for unfair competition it must be established that the public relied upon the statement claimed to have been erroneous, and was confused thereby, whereas, the petitioner failed to establish that anyone ever relied upon or was confused or misled by the short supply statement of the respondents, or the picture of an old distillery used on respondents' label, into believing that respondents' whiskey package was that of the petitioner; and

—k—

Petitioner's contention that the decision of the Court of Appeals below presents a question of public importance is entirely without merit because both the District Court and the Court of Appeals confined their opinions to the specific factual situation presented by the action below and established no new or controlling principles of unfair competition law, since both courts in their opinions merely followed the well established law applicable to an action of unfair competition of the character here involved, and as set forth in the Restatement of Torts, Sec. 741 under the title "Imitation of Appearance", p. 622 and 623. Since the opinions of the District Court and of the Court of Appeals were thus confined to the specific facts of the action below, and followed the well established principles of the law applicable to an action for unfair competition of the character here involved, the opinions of the courts below present no question of public importance and are in no way in conflict with any of the numerous decisions of other

courts relied upon by the petitioner since all of such cases involve specific factual situations different from the fact situation in the action below, and hence the decisions of the lower courts are in no way in conflict therewith.

— 9 —

ARGUMENT.

— a —

THE FIRST PART OF PETITIONER'S "STATEMENT OF THE CASE" IS MERELY A RE-ARGUMENT OF ITS POSITION AS TAKEN IN AND AS REJECTED BY THE DISTRICT COURT FOR LACK OF EVIDENCE, NAMELY, THAT PUBLICITY GIVEN TO AND ADVERTISING AND SALES OF PETITIONER'S WHISKEY HAVE CREATED A SO-CALLED "BRAND IMAGE" IN PETITIONER'S WHISKEY AND A SECONDARY MEANING THEREIN IN THE MINDS OF THE PURCHASING PUBLIC AS INDICATING THE PETITIONER AS THE SOURCE OR ORIGIN OF ITS WHISKEY.

The first part of petitioner's "Statement of the Case" (P. 5, Pars. 1, 2, 3, 4 and 5, down to and including the first full paragraph on page 8) is merely a re-argument of the position taken by the petitioner in the District Court and rejected for lack of evidence, namely, that publicity given to, and advertising and sales of, petitioner's whiskey, *per se*, have created a so-called "brand image" and secondary meaning in petitioner's whiskey package in the minds of the purchasing public as indicating the petitioner as the source or origin of its whiskey package.

Petitioner's argument on this point is divided into two (2) phases which will now be considered.

—1—

Petitioner's Attempt to Rely Upon Magazine and Newspaper Publicity Given Its Whiskey (P. Par. 2, pp. 5, 6) and Upon Its Admittedly Abandoned Slogan Trademark "Rare Old Sippin' Whiskey", and Its Reg. No. 603,460 Thereon, Are Without Merit.

In Paragraph 2 of its "Statement of the Case" (P. 5, 6) petitioner refers to publicity given to the petitioner's whiskey, as referred to by the purely descriptive term "sippin' ", in certain magazines and newspapers, from which the petitioner erroneously assumes or implies that this publicity had, somehow or other, given to the descriptive term "sippin' " some recognition by the Patent Office, as embodying trademark significance, when the expression "Rare Old Sippin' Whiskey" was registered in the Patent Office.

However, the fallacy of this argument is two-fold, namely, (1) all of the evidence offered by the petitioner in its attempt to establish a secondary meaning in the descriptive term "sippin' ", including numerous depositions of retail dealers, a nation-wide public opinion survey of approximately 1080 persons, and numerous depositions of the interviewers and supervisors who conducted the survey, was rejected by the District Court as failing to establish any secondary meaning in the descriptive term "sippin' ", or in any of the other eleven (11) component elements of the charge of unfair competition relied upon in the complaint (Complaint, Par. 2, R. 8a, 9a, App. P. 66, 67) as indicating the petitioner as the source or origin of petitioner's whiskey; and (2) petitioner's trademark Registration No. 603,460 on the slogan trademark "Rare Old Sippin' Whiskey" (now abandoned) having been registered on the Supplemental Register provided for by the Federal Trademark

Act of July 5, 1946 (The Lanham Act) does not constitute any evidence, whatever, that the Patent Office ever recognized this slogan trademark, or the descriptive term "sippin'" embodied therein, as having acquired any significance as indicating the petitioner as the source or origin of petitioner's whiskey.

Thus, this Court's attention is invited to the statement of the former Assistant Commissioner of Patents, in charge of trademarks (Mrs. Daphne Robert Leeds), a recognized authority on trademarks, which appears in her book entitled "The New Trademark Manual" (The Bureau of National Affairs, Inc., Washington, D. C., 1947) wherein she makes the following statement at page 151:

> "Registration on the Supplemental Register is not constructive notice of the claim of ownership, nor does the certificate have any evidentiary value other than to show that use of the mark was commenced on a specified date and that a public record of such use was made in the Patent Office. It creates no presumption of validity, ownership or the exclusive right to use."

Similarly, in the case of *R. H. Macy and Co., Inc.* v. *The Richter and Phillips Company*, 115 U. S. P. Q. 342, (Patent Office Examiner in Chief, 1957) Examiner Federico, a recognized authority in the field of trademarks, stated as follows at page 344:

> "In view of the strong statement in the last sentence of Section 24, and also taking into consideration the nature of a registration on the Supplemental Register, particularly the absence of any effect of the registration as *prima facie* evidence of its validity, of the registrant's ownership of the mark, or of the registrant's exclusive rights * * *."

It is submitted, therefore, that petitioner's attempt (P. 5, 6) to attach some significance to the publicity given

its whiskey in certain magazines and newspapers, and to its now *admittedly* abandoned slogan trademark "Rare Old Sippin' Whiskey", and its Registration No. 603,460 thereon, is without merit.

— 2 —

Petitioner's Contention in Its "Statement of the Case" (P. 5, 6, 7, 8, Pars. 1, 3, 4, 5 and 6) That the Sales and Advertising of Its Whiskey Have Created a So-Called "Brand Image" Is Merely a Reargument of Its Position as Taken in the District Court and Rejected for Lack of Evidence.

In numbered Paragraphs 1, 3, 4, 5 and 6 of the petition, under the heading "Statement of the Case", petitioner relates some of the historical aspects of its JACK DANIEL'S whiskey package and discusses the adoption and use of certain of the twelve (12) component elements of the charge of unfair competition, as relied upon in the Complaint (Complaint, Par. 2, R. 8a, 9a), including the use of a square bottle (P. Par. 1), the use of the descriptive expressions "Charcoal Mellowed" and "Charcoal Mellowed Drop by Drop" (P. Par. 3), the use of the expression "90 Proof By Choice" (P. Par. 4), the use of a neckpiece on its whiskey bottle (P. Par. 5), the use of the short supply motif as a selling technique, and extensive advertising and sales of petitioner's whiskey (P. Par. 6).

Petitioner then states (P. 8, Par. 6):

> "The purpose of all these advertisements was to create a brand image for Jack Daniel's Whiskey with the public and for that reason the expressions "sippin' whiskey", "Charcoal Mellowed Drop by Drop," as well as the other features previously mentioned were used extensively so that when the public heard one or more of the expressions it would be immediately reminded of petitioner's product."

This attempt by the petitioner to establish a so-called "brand image" in its JACK DANIEL'S whiskey package is nothing more or less than a reargument of the position which it strenuously urged before the District Court, and as to which it advanced extensive evidence in the form of depositions of retail dealers, a nation-wide public opinion survey, numerous depositions taken in support thereof, and the testimony of its advertising representatives and other witnesses at the trial. However, all of such evidence was rejected by the District Court as insufficient to establish a so-called "Brand Image" in petitioner's Jack Daniel's Whiskey Package, or in the twelve (12) component elements of the charge of unfair competition, considered singly or in combination. In thus rejecting this evidence and the argument thereon now advanced by the petitioner, the District Court stated, in part, as follows (Memorandum Opinion, R. 180a, App. p. 67):

> "This type of evidence does not sustain the plaintiff's claim that its label, bottle, slogans and expressions by long and continued use and by extensive advertising have combined to create a 'brand image' in the public mind and the 'brand image' has acquired a secondary meaning."

Furthermore, the petitioner's reargument as to the "brand image" claimed for its JACK DANIEL'S whiskey package is without merit for the further reason that the so-called "brand image", as claimed by petitioner, is a nebulous mythical thing, never defined by the petitioner in the trial court. Indeed, petitioner's own advertising agent, David Ferris, repeatedly refused to define this so-called "brand image" or to state when asked, on cross-examination, just what elements or parts of appellant's label, packaging, etc., are supposed to enter into this nebulous thing called by advertising men a "brand image" (R. 156b-159b).

However, this witness did admit that the petitioner's trademark JACK DANIEL'S is a part of its so-called "brand image" (R. 158b).

Since the petitioner's so-called "brand image" of its whiskey package thus admittedly includes petitioner's trademark, JACK DANIEL'S, it is obvious that the respondents' whiskey package, which includes the respondents' trademark EZRA BROOKS, does not come within the scope of petitioner's nebulous "brand image", whatever it may be.

— b —

Petitioner's Argument ("Statement of the Case," P. 8, 9, 10, 11, 12) That the Use by Respondents of Certain of the Descriptive Words, Terms, Advertising Slogans, Etc., Which Are Included Among the Twelve (12) Component Elements of the Charge of Unfair Competition Relied Upon in the Complaint, Establishes a Secondary Meaning Therein, and Likelihood of Confusion With Respondents' Whiskey Package, Is Completely Fallacious and Was Rejected by the District Court.

At pages 8-12 of its petition, petitioner reargues a point which it urged strenuously in the District Court and in the Court of Appeals, namely, that the use by the respondents of certain of the descriptive words, terms, advertising slogans, etc., which are included among the twelve (12) component elements of the charge of unfair competition relied upon in the complaint (Par. 2, R. 8a, 9a) establishes a secondary meaning in these component elements of the charge of unfair competition and likelihood of confusion between respondents' EZRA BROOKS whiskey package and petitioner's JACK DANIEL'S Black Label whiskey package. This argument was rejected by the District Court and by the Court of Appeals, as being without merit.

Moreover, this argument is based upon the fallacious assumption that such of these descriptive "expressions", as were employed by respondents (as the twelve (12) elements of the charge of unfair competition are called in the complaint, Pars. 2 and 5, R. 8a, 9a, 10a), were adopted by the respondents for the purpose of enabling the respondents to pass off their EZRA BROOKS whiskey package as and for the petitioner's JACK DANIEL'S Black Label whiskey package. The District Court, however, found that the use by the respondents of certain of these descriptive "expressions" was not made by the respondents for the purpose of enabling them or their retail dealers to pass off the respondents' EZRA BROOKS whiskey package as and for that of the petitioner but was done (Memorandum Opinion, R. 17a, App. p. 64, 65):

> "* * * to solicit customers of the plaintiff who could not obtain JACK DANIEL'S whiskey while there was a shortage in supply and also to appeal to all other prospective consumers who would be attracted by the advertising and packaging methods developed by the plaintiff."

In upholding the position of the District Court in rejecting this argument, the Court of Appeals stated as follows (Decision, February 3, 1962, App. p. 74, 75):

> "Despite these similarities, the District Court found from the evidence that no retail dealer or any representative of defendants had ever attempted to sell or pass off Ezra Brooks whiskey for Jack Daniels whiskey. There was no showing that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey thinking it was Jack Daniels Whiskey. In other words, the proof did not show that these imitated features had a secondary meaning as identifying the source of the whiskey.
>
> It was not unlawful for Ezra Brooks to copy unpatented products of Jack Daniels so long as they are properly identified and do not mislead the public into

believing that Ezra Brooks' products are those of Jack Daniels. *Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111; *Norwich Pharmacal Co.* v. *Sterling Drug, Inc.*, 271 F. 2d 569 (CA 2); *Speedry Products, Inc.* v. *Dri Mark Products, Inc.*, 271 F. 2d 646 (CA 2); *Tas-T-Nut Co.* v. *Variety Nut & Date Co.*, 245 F. 2d 3 (CA 6); *West Point Mfg. Co.* v. *Detroit Stamping Co.*, 222 F. 2d 581, 591 (CA 6); *Hemmeter Cigar Co.* v. *Congress Cigar Co., Inc.*, 118 F. 2d 64 (CA 6); *Upjohn Co.* v. *Merrell*, 269 Fed. 209 (CA 6).

The fact that some of the statements made by Ezra Brooks concerning its products were false and untrue does not make out a case of unfair competition in favor of plaintiff. *Mosler Safe Co.* v. *Ely-Morris Safe Co.*, 273 U. S. 132; *American Washboard Co.* v. *Saginaw Mfg. Co.*, 103 Fed. 281 (CA 6)."

However, the petitioner, being dissatisfied with the decision of the Court of Appeals (Feb. 3, 1962, App. p. 73-75), petitioned for a rehearing, based largely upon the contention, now again advanced in the petition herein (P. 8-12), that the respondent's use of the short supply motif in its advertising and sales techniques, namely, the slogan "There just ain't enuf to go around", and the picture of an old distillery on its label, were not entirely or at all times accurate, and that this gave rise to an action for unfair competition in the petitioner. In rejecting this argument the Court of Appeals, in its supplementary opinion, on the petition for rehearing, stated as follows. (Order, March 7, 1962, App. p. 76, 77):

"In our opinion we mentioned that the fact that some of the statements made by Ezra Brooks concerning its product were false and untrue did not give rise to an action for unfair competition in favor of plaintiff. We had in mind the claim of Ezra Brooks 'There just ain't enuf to go around' and the picture of an old distillery on its label.

Assuming that Ezra Brooks whiskey was not in short supply we fail to see how this creates a cause of action in favor of plaintiff.

> The same is true about the picture of a distillery on its label when its whiskey was manufactured by independent distilleries. The evidence disclosed four other brands of whiskey using an illustration of an old distillery on their labels.
>
> The other matters presented in the petition for rehearing were previously considered by the Court and we adhere to our opinion."

It will thus be seen that the petitioner's argument to the effect that respondents' use of certain of the descriptive words, terms, advertising slogans, etc., which are included among the twelve (12) component elements of the charge of unfair competition, established the two necessary elements of petitioner's proofs, namely secondary meaning and likelihood of confusion, was rejected by both the District Court and the Court of Appeals and petitioner has nowhere shown any error in the decisions of the lower courts in this regard, nor any reason for granting the petition based on any such alleged error.

It is submitted, therefore, that this argument is without merit, in no way supports the petition, and should be rejected.

— c —

AS TO THE FIRST REASON RELIED UPON IN SUPPORT OF THE PETITION (P. 12-17).

— 1 —

Contrary to the First Ground Advanced by the Petitioner in Support of the First Reason Relied Upon for the Grant of the Writ, Neither the District Court Nor the Court of Appeals Based Its Dismissal of Petitioner's Action on the Ground That There Was No Showing of Any Actual Confusion Between Respondents' Whiskey Package and That of Petitioner.

The first ground asserted by petitioner in support of the first reason relied upon for the granting of the writ (P. 12, 13) is that, notwithstanding the fact that the District Court found that respondents had copied certain of the twelve (12) so-called "expressions" or component elements of the charge of unfair competition, as relied upon in the Complaint, the District Court based its dismissal of the complaint below on the ground that (R. 180a, App. p. 66):

> "* * * there was no showing by any witness that a single member of the consumer public was ever confused or misled into buying a bottle of Ezra Brooks' whiskey thinking it was Jack Daniel's whiskey." (Incorrectly quoted by petitioner at P. 13, but correctly quoted as above.)

This first ground asserted by petitioner in support of the first reason for the grant of the writ is completely inaccurate and misleading for the reason that neither the District Court nor the Court of Appeals based its dismissal of the petitioner's complaint for unfair competition on the ground that there was no evidence of actual confusion between the petitioner's JACK DANIEL'S whiskey and the

respondents' EZRA BROOKS whiskey. That this is so is readily seen from an examination of the memorandum decision of the District Court (December 15, 1960, R. 175a-183a, App. p. 61-70) and from the opinion of the Court of Appeals affirming that opinion p. 73-75). Thus, while it is true, as pointed out by the petitioner, that the District Court found that there was no evidence of any actual confusion between respondents' EZRA BROOKS whiskey and petitioner's JACK DANIEL'S whiskey, this did not form the basis for the dismissal of the complaint by the District Court for the reason that the dismissal of the complaint by the District Court was based upon the fact that the petitioner failed to establish the two elements of proof necessary to sustain an action for unfair competition of the character here involved, namely (1) secondary meaning, and (2) likelihood of confusion.

Thus, the District Court specifically found in this regard as follows (R. 179a, 180a, App. p. 65, 66):

> "The law of unfair competition to be applied to the facts of this case is concisely set forth in the Restatement of Torts, Sec. 741, under the title "Imitation of Appearance", pages 622 and 623.[1] From this state-

---

1. "* * * The privilege to engage in business and to compete with others implies a privilege to copy or imitate the physical appearance of another's goods. The public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers. But the privilege to imitate may be limited by legislative enactment. Thus, in order to encourage invention or art, a patent or copyright may, for a limited period of time, protect one's interest in the physical appearance of his goods. The privilege is also qualified by the law of Torts to the extent necessary in order to prevent the sale of one's goods as those of another and to prevent the procurement of the means of imitation by unfair methods.

SEC. 741. *Elements of Unprivileged Imitation.*

"One who markets goods, the physical appearance of which is a copy or imitation of the physical appearance of the goods of which another is the initial distributor, markets them with

ment of the law the defendant has the right to copy the Jack Daniel's package and advertising unless both (1) the imitated features have acquired generally in the market a special significance identifying the source of the other's goods, that is, have acquired a secondary meaning, and (2) that prospective purchasers will likely be confused by the imitation and misled to believe that Ezra Brooks whiskey was produced by the Jack Daniel Distillery."

Thus, the decision of the District Court specifically shows that, contrary to the petitioner's contention, as advanced as the first ground in support of the first reason asserted for granting the writ, the District Court did not find that actual confusion is necessary to support an action for unfair competition of the character here involved. This is shown by the fact that the District Court's opinion specifically shows that in reaching its decision it followed the well established law, as set forth in the Restatement of Torts (Sec. 741), and which is that proof of likelihood of confusion is sufficient in an unfair competition action of this character if the proofs establish both secondary meaning and likelihood of confusion.

In affirming the District Court, the Court of Appeals did

an unprivileged imitation, under the rule stated in Sec. 711, if his goods are of the same class as those of the other and are sold in a market in which the other's interest is protected, and

"(a) he copied or imitated the appearance after obtaining access to or procuring the goods, or their labels, wrappers, containers, styles or designs by improper means or on his promise not to copy or imitate them [(a) is not applicable in this case] or

"(b) the copied or imitated feature has acquired generally in the market a special significance identifying the other's goods, and

"(i) the copy or imitation is likely to cause prospective purchasers to regard his goods as those of the other, and

"(ii) the copied or imitated feature is nonfunctional, or, if it is functional, he does not take reasonable steps to inform prospective purchasers that the goods which he markets are not those of the other."

observe in its opinion (App. p. 75) that there was no showing of any instance of actual confusion between the respondents' EZRA BROOKS whiskey and the petitioner's JACK DANIEL'S whiskey, but this observation did not constitute the basis for the opinion of the Court of Appeals in affirming the District Court.

It will thus be seen that the first ground advanced in support of the first reason asserted for granting the writ is an inaccurate and misleading interpretation of the opinions of both the District Court and the Court of Appeals and is without merit.

—2—

The Second Ground Relied Upon in Support of the First Reason Asserted for the Granting of the Writ, Namely, That the Decision of the Court of Appeals Below Is in Conflict With the Decisions of the Courts of Appeals for the Second and Sixth Circuits, Is Without Merit Because the Specific Factual Situation Here Involved Has Never Been Previously Litigated.

The second ground relied upon in support of the first reason asserted for the granting of the writ (P. 12-17) is that the decision of the Court of Appeals below is in conflict with certain holdings for the Courts of Appeals for the Second and Sixth Circuits in certain specific cases, which will be reviewed hereinafter. This contention is without merit because the decisions of the District Court and the Court of Appeals were based upon and were limited to the specific factual situation involved in the case below and which has never been litigated in any other Court. Hence, there is no conflict between the decision of the Court of Appeals below and that of any other Court.

Thus, as the second ground in support of the first reason relied upon for the grant of the writ petitioner contends

that the opinion of the Court of Appeals below is in conflict with decisions of the Courts of Appeals for the Second Circuit and the Sixth Circuit in the following cases:

(1) *Mg-T-Fine Corporation* v. *Samuels, et al.*, 69 F. (2) 76 (CA 2) (1934) (P. 12, 14, 15):

This case was fully argued by the petitioner in its brief in the Court of Appeals and involved a confection consisting of chocolate and sugar, used in making pudding, and the products were put up and sold in small cardboard boxes.

The evidence showed that plaintiff had established trade-mark significance and secondary meaning in its packaging, which had become known as the "Red and Green Package"; and that the defendants adopted the color scheme and striped arrangement of the plaintiff with the result that the defendants' color scheme was similar to that of the plaintiff. Hence, unlike the present case, in which there is no evidence of any secondary meaning in petitioner's JACK DANIEL'S whiskey package or in the twelve (12) component elements of the charge of unfair competition relied upon by the petitioner, considered separately or collectively, the cited case was essentially one involving similarity of colored packaging in which the plaintiff's package had acquired a secondary meaning. The facts in the cited case are, therefore, in no way applicable to the facts in the present case.

(2) *Mastercrafters Clock and Radio Co.* v. *Vacheron & Constantin-LeCoultre Watches, Inc., et al.*, 221 F. (2d) 464 (CA 2) (1955) (cert. denied 350 U. S. 832) (P. 12, 15, 16):

This was essentially an article design copying case involving an inexpensive clock sold by defendants and which was a replica of plaintiff's expensive clock. The case was,

therefore, an article design copying case, rather than a trade dress or package case, as here involved, and was exactly comparable to the case of *West Point Manufacturing Company* v. *Detroit Stamping Company*, 222 F. (2d) 581, 591 (CA 6) (1955). In its brief in the Court of Appeals (p. 32, 33) the petitioner criticized the District Court for referring to the *West Point* case in its decision and hence petitioner cannot consistently here rely upon an exactly comparable *article design copying case*, as distinguished from a trade dress and packaging case, as here involved, contrary to the position it took in the Court of Appeals.

Thus, in its brief in the Court of Appeals the petitioner stated (P. 32):

> "These cases are based upon the public's right to produce the product and it has been generally held that the public is entitled to copy exactly unless the copy includes non-functional features which have attained public recognition."

It is submitted, therefore, that, by petitioner's own admission, an article design copying case, such as the *Mastercrafters* case, *supra*, has no application, whatever, to the facts in the present case and the case does not support petitioner's second ground for its first reason asserted for the grant of the writ.

(3) *American Chicle Co.* v. *Topps Chewing Gum, Inc.*, 208 F. (2d) 560 (CA 2) (P. 12, 15, 16):

This case has no application to the facts in the present case because it involved infringement of a technical trademark owned by plaintiff and used on confections. Plaintiff's trademark included a color scheme and design and the letter "O". The evidence showed that defendant substantially copied the plaintiff's composite trademark including its color scheme, as used on the same confections.

Hence, the cited case simply involved infringement of a technical trademark and was not an unfair competition action involving no less than twelve (12) component and unrelated elements (Complaint, Par. 2, R. 8a, 9a) in which no secondary meaning has been shown, considering them, singly or collectively.

(4) *Tas-T-Nut Company* v. *Variety Nut and Date Company*, 245 F. (2d) 3, 7 (CA 6) (P. 12, 16, 17):

This case was fully argued orally before the District Court, and in supplementary briefs after oral argument, when the District Court ordered supplemental briefs filed on the sole issue of whether or not the petitioner had sustained its burden of proof (R. 39b), and while the case is referred to in the District Court's Memorandum Opinion (R. 18la, App. p. 68) the Court did not find it applicable to the facts in the present case.

That the *Tas-T-Nut* case is not applicable to the facts in the present case will now be shown.

Thus, in the *Tas-T-Nut* case the Court of Appeals for the Sixth Circuit stated as follows (p. 7):

> "In finding that the appellee had deliberately tried 'to take advantage of the great amount of advertising done by, and the good reputation earned, and the style of package that has been gotten out by the plaintiff,' the District Court necessarily found that the distinctive appearance of the appellant's packages had acquired a secondary meaning."

However, this statement of the court, which is relied upon by petitioner (P. 17) has been lifted out of context from the decision, it is not the law of the decision, and is merely dicta, since it was entirely unnecessary to or for the decision in the case. This is for the reason that immediately following the excerpt from the decision, now relied upon by the petitioner, the court of appeals expressly

stated that the District Court had had before it actual evidence of secondary meaning and this evidence was entirely separate from and independent of the defendant's copying, as is shown by the fact that in the last Findings of Fact, 136 F. Supp. 775, 777, the District Court refers to defendant's copying and then refers to the evidence of secondary meaning offered by plaintiff separate from and independent of defendant's copying. (Conclusion of Law, p. 779 and note the heading on p. 777) (136 F. Supp. 775).)

The Court of Appeals for the Sixth Circuit specifically referred to the District Court's evidentiary finding of secondary meaning as follows (p. 7):

> "* * * Although as the District Court pointed out, 'the evidence on that point * * * is not overwhelming', there was nevertheless uncontroverted evidence that the appearance of the appellant's packages had acquired a special significance identifying the appellant's products."

The present case is also further clearly distinguished from the *Tas-T-Nut* case by the fact that, unlike the present case, in which there is no evidence or proof whatever of likelihood of confusion, there was proof of actual confusion in the form of passing off in the *Tas-T-Nut* case, since the court of appeals expressly so stated in its decision as follows (p. 5):

> "Moreover, the court recognized that there was evidence that customers actually had confused the products, and that there had been an actual palming off by retailers of the appellee's product as that of the appellant."

Hence, it will be seen that the *Tas-T-Nut* case has no application to the facts in the present case and cannot be relied upon by the petitioner to support its second ground relied upon in support of the first reason asserted for granting the writ (P. 12, 16, 17).

—d—

The Second Reason Relied Upon by Petitioner for the Grant of the Writ (P. 18, 20), Namely, That the Decision of the Court of Appeals for the Sixth Circuit in the Case Below Is in Conflict With Certain Decisions of the Court of Appeals for the Second Circuit Is Likewise Without Merit Because the Facts in the Cited Cases Were Totally Different from the Facts in the Case Below.

As and for its second reason asserted for the grant of the writ, petitioner asserts (P. 18-20) that the decision of the Court of Appeals for the Sixth Circuit in the present case is in conflict with decisions of the Court of Appeals for the Second Circuit in certain other cases, which will be discussed presently. This contention is without merit because, as pointed out above, the factual situation presented in the action below has never been litigated in any other court, and is entirely unique, and the facts in the cases relied upon by petitioner were and are in no way related to the facts in the present case, as will now be shown.

Thus, the first of four cases relied upon by the petitioner in support of its second reason asserted for the granting of the writ (P. 18-20), is the case of

(1) *LaTouraine Coffee Co. Inc.* v. *Lorraine Coffee Co. Inc. et al.*, 157 F. (2d) 115, (CA 2) (1946) (P. 12, 18, 19):

In attempting to rely upon this case petitioner again, as pointed out above, makes the misleading and inaccurate statement that the District Court and the Court of Appeals in the case below both held that proof of actual confusion is necessary to support an action for unfair competition of the character here involved when, in fact, this contention is entirely false for the reason that, as pointed out above, the District Court properly applied the law of the Restatement of Torts, Sec. 741, *supra*, (R. 179a, 180a, App. p. 65,

66), namely, that in addition to proof of secondary meaning in the elements of the charge of alleged unfair competition, only likelihood of confusion, and not actual confusion, need be established in an action for unfair competition of the character here involved.

Moreover, the *LaTouraine Coffee* case, *supra*, has no application, whatever, to the facts in the case below and in no way supports petitioner's second reason asserted for the grant of the writ. This is for the reason that that case was primarily an action for infringement by defendant, in its use of the mark "Touraine", of plaintiff's registered trademark "LaTouraine" for use on coffee. The case was not one for alleged unfair competition involving, as here, a multiplicity of totally unrelated component elements (twelve (12) in number), but, on the contrary, involved infringement of a word trademark "LaTouraine". Hence, the case has no application to the facts in the present case and does not support petitioner's second ground asserted in support of the grant of the writ.

(2) *Best & Co. Inc.* v. *Miller*, 167 F. (2d) 374, 377 (CA 2) (1948) (P. 12, 19):

This case is cited by the petitioner (P. 12, 19) in needless and labored support of an admitted principle of the law of unfair competition, of the character here involved, and as properly applied by the District Court, and as affirmed by the Court of Appeals, namely, that proof of likelihood of confusion is sufficient in an action for unfair competition, such as is here involved. The cited case, unlike the present trade-dress and package case, was a trade-name case involving defendant's use of the trade-name "Miller's Lilliputian Shoppe", the court holding that the use by the defendant of this expression did not constitute trademark infringement or unfair competition with plaintiff's ownership and use of the trademark and trade-name "Lilliputian

Bazaar". The District Court held that there was no unfair competition or trademark infringement and the Court of Appeals affirmed the judgment of the District Court. Hence, the portion of the decision of the Court of Appeals quoted and relied upon by the petitioner (P. 19) is pure dictum and in no way supports petitioner's second reason asserted for the grant of the writ.

(3) *Speed Products Co. Inc.* v. *Timmermann Products, Inc.*, 179 F. (2d) 778, 780, 781 (CA 2) (1949) (P. 18, 19, 20):

This case was primarily an action for trademark infringement involving infringement by the plaintiff of defendant's trademarks "Speed Nut", "Speed Clip", etc., by reason of plaintiff's use of the mark "Speed Fastener".

Petitioner cites and relies upon this case for the labored proposition that proof of actual confusion, as distinguished from likelihood of confusion, is unnecessary in an action for unfair competition of the character here involved. The point for which the petitioner labors, in citing this case, was specifically discussed by the District Court in its opinion (R. 179a, 180a, App. p. 66), as pointed out above, and hence the case in no way supports petitioner's second ground asserted for the grant of the writ.

(4) *Miles Shoes, Inc.* v. *R. H. Macey & Co., Inc.*, 199 F. (2d) 602, 603 (CA 2), (1952) (P. 18, 20):

The case is cited by the petitioner in support of the (again) labored proposition that proof of *actual* instances of confusion is unnecessary in an action for unfair competition. As pointed out above, this principle was admitted and properly applied by the District Court in its Opinion (Memorandum, R. 179a, 180a, App. p. 65, 66) and the citation of this case therefore, adds nothing to support the petition for the grant of the writ. Moreover, the case was an action for trademark infringement in which the Court of

Appeals held that defendant's trademark "Gro-Pals" infringed plaintiff's trademarks "Gro-Shoe" and "Gro-Sock".

—c—

The Third Reason Relied Upon by the Petitioner for the Grant of the Writ (P. 12, 20-23), Namely, That the Effect of the Decision of the Court of Appeals Was That Proof of Actual Confusion Must Be Shown to Establish Secondary Meaning, Is Inaccurate and Misleading Because the Court Did Not So Hold, and Its Decision Is in No Way in Conflict With the Decisions of Any Other Courts.

The third reason relied upon by the petitioner for the grant of the writ (P. 12, 20-23) is that the effect of the decision of the Court of Appeals below was that proof of actual confusion is necessary in an unfair competition action, such as is here involved, to establish secondary meaning, and that the Court's decision is in conflict with the decisions of other Courts of Appeals in other cases. This contention is inaccurate and misleading and entirely without merit, as will now be shown.

As has been pointed out hereinbefore the District Court, properly applying the law of the Restatement of Torts, Sec. 741, under the title "Imitation of Appearance" (R. 179a, 180a, App. p. 65, 66), clearly held that to establish an action for unfair competition, such as is here involved, the petitioner must prove two things, namely, (1) secondary meaning in the component elements of the charge of unfair competition, and (2) likelihood of confusion. The District Court dismissed the complaint for failure of the petitioner to establish these two essential elements of its proofs required to sustain an action for unfair competition of the character here involved, and the Court of Appeals affirmed the District Court in all respects.

While it may be true that the language of the Court of Appeals, as quoted and relied upon by the petitioner (P. 20, 21) in support of the third reason asserted for the grant of the writ, may not have been as precise as it might have been, nevertheless, the Court of Appeals in this part of its opinion did not hold that proof of actual confusion, as distinguished from proof of likelihood of confusion, is necessary to establish secondary meaning. This is shown by the fact that elsewhere in its opinion of February 23, 1962 (App. 73), the Court of Appeals specifically referred to the basis of the petitioner's claim to secondary meaning as follows:

> "Plaintiff claimed that it had expended large sums of money in advertising certain expressions and packaging of Jack Daniel's products and that they had acquired a secondary meaning identifying them with Jack Daniel's whiskey. . . ."

Moreover, the opinion of the Court of Appeals, in affirming the District Court, specifically adopted the Findings of Fact of the District Court, stating as follows (App. p. 75):

> "The findings of fact of the District Judge are supported by substantial evidence and are binding on us. He has applied the correct rules of law."

Among the findings of the District Court thus adopted by the Court of Appeals is, of course, the fact that the District Court found that the petitioner had failed to sustain its burden of proof in establishing by evidence the two essential elements of its proofs, namely, (1) secondary meaning, and (2) likelihood of confusion.

Hence, it will be seen that the contention of the petitioner in support of the third reason asserted for the grant of the writ, namely, that the Court of Appeals held that proof of actual confusion must be shown to establish

secondary meaning, is inaccurate and misleading and is entirely without merit.

Furthermore, the opinion of the Court of Appeals is in no way in conflict with the decisions of other Courts of Appeals in the cases relied upon in support of the third reason asserted for the granting of the writ, since all of these cases involved sets of facts and situations entirely different from the facts involved in the case below and which, as pointed out above, has never been previously involved in any litigation.

That there is no such conflict will now be shown by an examination of the cases cited by petitioner in support of the third reason asserted for the grant of the writ, the first of these cases being:

(1) *Barton et al. v. Rex-Oil Co., Inc.*, 2 F. (2d), 402, 405 (CA 3) (1924) (P. 12, 20, 21):

This is the famous "Dyanshine" case in which the Court of Appeals for the Third Circuit, on rehearing, held that the plaintiff's trademark "Dyanshine" was infringed by the defendant's use of the expression "Dye and Shine", where the evidence established that plaintiff's mark had clearly acquired a secondary meaning as indicating the plaintiff as the source or origin of plaintiff's product.

Moreover, the quotation from the "Dyanshine" case relied upon by the petitioner (P. 21) is incomplete and misleading in that it is intended to indicate that the length of time that a trademark has been used is sufficient, *per se*, to establish secondary meaning. That the Court did not so hold, in the cited case, is shown by the fact that in the portion of the Court's opinion immediately following that portion quoted by the petitioner, the Court stated as follows (p. 405):

"Therefore, in looking for a secondary meaning this

> court is controlled by the fact that such a meaning has been acquired in the mind of the public rather than by the time it has taken for that fact to become established. The time in this case was unusually short, due to unusual circumstances; yet it is perfectly plain that by circumstances rather than by time the complainants' trademark had acquired a secondary meaning within the full sense of that term."

It will thus be seen that the decision of the Court of Appeals in the present case was and is in no way in conflict with the decision of the Courts of Appeals for the Third Circuit in the case of *Barton* v. *Rex Oil Co.*, *supra*, and that that case does not support the third reason asserted by the petitioner for the grant of the writ.

(2) *R. H. Macy & Co., Inc.* v. *Colorado Clothing Mfg. Co.*, 68 F. 2(d) 690, 692 (CA 10) (1934) (P. 20, 22):

This case has no application, whatever, to the facts in the present case, because it involved an action for trademark infringement and unfair competition brought by the well-known New York department store, R. H. Macy & Co., Inc., against the defendant, which was using the term "Macy Tailoring System of America" in certain states west of the Mississippi River. The evidence showed that the word "Macy" had acquired a secondary meaning, as indicating the plaintiff and its store, and the Court enjoined the defendant from the use thereof.

(3) Restatement of Torts, Sec. 716, Comment b (P. 22):

This comment, relied upon by the petitioner, from the Restatement of Torts, was argued by the petitioner in the Court of Appeals in support of the contention that

> "Long continued use of the designation is evidence from which this 'secondary meaning' may properly be inferred; but the inference is rebuttable."

It should be noted, however, that petitioner has omitted from its petition that significant portion of Comment (b) of Sec. 716 of the Restatement of Torts which reads as follows:

> "The phrase 'secondary meaning', as thus used, does not mean a subordinate or rare significance. It means rather a subsequent significance added to the previous meaning of the designation and becoming in the market its usual and primary significance."
>
> "Whether or not a designation has acquired this special significance is a question of fact in each case."

There are no facts in the form of evidence to establish any secondary meaning in any of the twelve (12) component elements of the charge of unfair competition relied upon by petitioner in the case below, and hence the comment from the Restatement of Torts, as relied upon by petitioner, does not support petitioner's contention.

(4) *Time, Inc.* v. *Life Television Corp.*, 123 Fed. Supp., 470, 474 (D. C. Minn.) (P. 20, 22):

This case is cited by petitioner in support of the proposition that advertising, *per se*, is sufficient to establish secondary meaning.

It should be noted, however, that the *Time* v. *Life* case involved defendant's use of the plaintiff's well-known tradename and trademark LIFE in connection with television sets and that the case was actually one involving a single well-known technical trademark, and not a case involving a conglomeration of totally unrelated descriptive words, terms, slogans, etc., such as are relied upon by the petitioner in the present action.

In the *Time* v. *Life* case the court specifically held (p. 478) that the plaintiff's trademark LIFE had acquired a secondary meaning due, in part, to plaintiff's use of the expression "As Advertised in Life". Moreover, there

was evidence of actual confusion in the cited case in that ten witnesses testified that they were confused by defendant's use of the mark LI'E into believing that plaintiff had entered the retail television business (pp. 475-6). In addition, unlike the present action, in the *Time* v. *Life* case there was no contention that the plaintiff's well known trademark LIFE was in any way descriptive and, of course, it is not. Hence, the cited case is in no way applicable to the facts in the present case.

(5) *Wisconsin Electric Co.* v. *Dumore Co.*, 35 F. (2d) 555 (CA 6) (1929) (P. 20, 22, 23):

This case was a case in which both parties used the trademark DUMORE, and hence the case was primarily a case of infringement of a single word trademark, rather than of alleged unfair competition involving numerous unrelated elements, as in the present case. Hence the cited case in no way supports petitioner's contention.

(6) *Tas-T-Nut Company* v. *Variety Nut and Date Company*, 245 F. 2d 3, 5, 7 (CA 6) (1957) (P. 20, 23):

This case has previously been considered hereinbefore (p. 38, 40), in connection with respondents' answer to petitioner's contention in support of the petitioner's first reason asserted for the grant of the writ (P. 12, 16, 17), and the quotation appearing at P. 23 is merely a repetition of that portion of the Court's opinion which was previously quoted by the petitioner at P. 17.

—f—

The Opinion of the Court of Appeals Below Is in No Way in Conflict With the Decisions of the Court of Appeals for the Third Circuit or With the Unfair Competition Section of the Federal Trademark Act of July 5, 1946 (the Lanham Act), Sec. 43 (a) (15 USCA Sec. 1125a), and Hence the Fourth Reason Advanced for the Grant of the Writ Is Without Merit.

In support of the fourth reason advanced for the grant of the writ, petitioner contends (P. 23-26) that the decision of the Court of Appeals for the Sixth Circuit in the case below is in conflict with the decision of the Court of Appeals for the Third Circuit in the case of *L'Aiglon Apparel, Inc.* v. *Lana Lobell, Inc.*, 214 F. 2d 649 and is in conflict with the Unfair Competition Section of the Federal Trademark Act of July 5, 1946 (The Lanham Act) Sec. 43(a) (15 USCA Sec. 1125a). This contention is entirely without merit, as will now be shown.

Petitioner prefaces its argument in support of this fourth reason asserted for the grant of the writ by quoting that portion of the opinion of the Court of Appeals below which appears at the top of page 24 of the petition and which reads as follows (App. p. 75):

> "The fact that some of the statements made by Ezra Brooks concerning its product were false and untrue does not make out a case of unfair competition in favor of plaintiff. *Mosler Safe Co.* v. *Ely-Morris Safe Co.*, 273 U. S. 132, 47 S. Ct. 314, 71 L. Ed. 578; *American Washboard Co.* v. *Saginaw Mfg. Co.*, 103 Fed. 281 (CA 6).
>
> 298 F. (2d) 607, 608, Appendix p. 44."

In its Petition for Rehearing in the Court of Appeals the petitioner then for the first time in the case advanced the

argument that the above-quoted portion of the opinion of the Court of Appeals was in conflict with the so-called unfair competition section 43a of the Trademark Act of July 5, 1946 (the Lanham Act), 15 USCA 1125(a) which reads as follows:

> "Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, or a false designation of origin, or any false description or representation, * * * and shall cause such goods or services to enter into commerce, * * * shall be liable to a civil action by any person doing business in the locality falsely indicated * * *, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation."

Petitioner now argues (P. 24) that the decision of the Court of Appeals for the Sixth Circuit in the *American Washboard Co.* case, *supra*, had been expressly modified by the law established by the Court of Appeals for the Third Circuit in the case of *L'Aiglon* v. *Lana Lobell* case, *supra*, in view of the above-quoted section of the Lanham act.

In support of this contention petitioner cites and relies upon the case of *L'Aiglon* v. *Lana Lobell*, *supra*, (P. 24-26) which involved the use by the defendant in advertising of a picture of plaintiff's dress. The District Court had held that the complaint had failed to state a cause of action, but the Court of Appeals held that the misrepresentation by defendant and loss of trade to plaintiff were sufficient to state a cause of action under Section 43(a) of the Trademark Act of July 5, 1946 (The Lanham Act) (15 USCA 1125a) and in so doing reversed and remanded the case for further proceedings.

However, the petitioner fails to point out to this court the fact that the Court of Appeals for the Third Circuit

in the later case of *The Parkway Baking Company Inc. etc. v. Freihofer Baking Company (Inc.)*, etc. 255 F. 2d 641, (CA 3) (1958), specifically held that the plaintiff, in order to establish a cause of action of damages under Sec. 43(a), must show not only that the defendant's advertisement is false but that it actually deceived a portion of the buying public, or, in other words, that customers have relied upon the false advertisement and have been misled thereby into purchasing the product of the defendant in the belief that it was the product of the plaintiff. In so holding the court stated as follows at pages 648 and 649:

> "However, a plaintiff in order to make out a cause of action for damages under Section 43(a) *must show not only that the defendant's advertisement is false but also that this falsification actually deceives a portion of the buying public. Gold Seal Co. v. Weeks*, D.C.D.C. 1955, 129 F. Supp. 928, 940, affirmed sub nom *S. C. Johnson & Son v. Gold Seal Co.*, 1956, 97 U. S. App. D. C. 282, 230 F. 2d 832, certiorari denied 1956, 352 U. S. 829, 77 S. Ct. 41, 1 L. ed. 2d 50; *Bechik Products, Inc. v. Federal Silk Mills, Inc.*, D.C. Md. 1955, 135 F. Supp. 570. This does not place upon the plaintiff a burden of proving detailed individualization of loss of sales. Such proof goes to quantum of damages and not to the very right to recover. *However, there must be a showing of some customer reliance on the false advertisement.*
>
> In the case at bar, the false designation was in very small print, while the trademark Freihofer's Hollywood was large and clear. There was nothing fallacious as to the trademark. Parkway has introduced no evidence that anyone who purchased "Hollywood" bread with the false designation on the wrapper did so because of the false wrapper, nor is there any evidence that anyone would have refused to purchase this bread had they known of the fallacious label. It seems clear that the customers sought a low caloric loaf called "Hollywood" and that is what they received. As was stated in the *Gold Seal* case, *supra*,

"Section 43(a) was to promote fair business dealings. It was not to provide a windfall to an overly eager competitor." 129 F. Supp. at page 940."

In the action below there was no evidence whatever presented to the District Court to establish that anyone had actually been deceived by any of the respondents' advertising slogans, etc., into purchasing the respondents' whiskey in the belief that it was the petitioner's whiskey, or that anyone had ever relied upon any of the slogans, advertisements, etc., of petitioner as indicating the petitioner as the source or origin of petitioner's whiskey.

It is submitted, therefore, that under the interpretation of Sec. 43(a), as set forth in the case of *Parkway Baking v. Freihofer Baking, supra*, the petitioner has not established by evidence that the present action comes within Sec. 43(a) of the Lanham Act.

Hence, it is submitted that the fourth reason asserted in the petition for the grant of the writ is without merit.

— g —

The Fifth Reason Asserted by the Petitioner for the Grant of the Writ, Namely, That the Decision of the Court of Appeals Presents a Question of Public Importance, Is Without Merit Because the Action Below Was a Purely Private Controversy Involving a Particular Fact Situation Having No Relationship to and Not Being in Conflict With the Decision of Any Other Court in Any Other Case.

The fifth reason asserted by the petitioner for the grant of the writ (P. 26-31) is that the decision of the Court of Appeals presents a question of public importance in the law of unfair competition and should be reviewed by this

court. This contention is without merit because, as is clearly shown by the *per curiam* decision of the Court of Appeals of February 3, 1962 (App. p. 73-75) and the supplementary decision of the same court on the Petition for Rehearing March 7, 1962 (App. p. 76, 77), as well as by the opinion of the District Court, (R. 175a-183a, App. p. 61-70) the controversy below was a purely private controversy involving a very specific fact situation and the decisions of the lower courts have no possible public importance or significance since they were and are confined entirely to the specific facts of the case below. Moreover, the specific factual situation presented in the case below is in no way similar to or comparable to the facts involved in the numerous cases relied upon by the petitioner in support of the fourth reason asserted for the grant of the writ (P. 26-31) as will now be shown by a review of the cases relied upon by petitioner in support of its fifth reason asserted for the grant of the writ, these cases being as follows:

(1) *Q-Tips, Inc., v. Johnson & Johnson*, 206 F. 2d 144 (CA 3) (1953) (P. 27):

This case is cited by the Petitioner (P. 27) in support of the fourth reason asserted for the grant of the writ, namely, that the present case involves a question of public importance. However, the facts in the cited case have no application, whatever, to the facts in the present case, because unlike the present case, the cited case involved a question of trademark infringement and the court held that the defendant's mark COTTON TIPS infringed the plaintiff's trademark Q-TIPS for use on cotton tipped medical swabs.

As a part of its discussion of the Q-TIPS case (P. 27), petitioner refers to the case of *United Drug Company v. Theodore Rectanus Company*, 248, U. S. 90, 63 Led. 141 in support of the admittedly well established proposition

that "the law of trademarks is but a part of the broader law of unfair competition * * *". However, the citation of this broad principle of law in no way aids the petitioner in its reliance on the Q-TIPS case in attempting to establish that the present case involves a matter of public importance, since as pointed out above, the present case is, in fact, a purely private controversy involving facts entirely dissimilar to those in the Q-TIPS case.

It is submitted, therefore, that the cited case has no application whatever to the facts in the present case and in no way supports the petitioner's fifth reason asserted for the grant of the writ.

(2) *My-T-Fine Corporation* v. *Samuels, et al.*, 69 F. 2d 76 (CA 2) (1934) (P. 27);

This case has no application, whatever, to the facts in the present case and is discussed hereinbefore in this brief (p. 37).

(3) *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corporation*, 305 U. S. 315, 83 L. ed. 195 (P. 27, 31);

This is the celebrated NU-ENAMEL case and is one of the landmarks of this court in the recognition of the doctrine of secondary meaning in a trademark having a primary descriptive connotation. However, the petitioner fails to point out to this court that in the NU-ENAMEL case the defendant had admitted in the District Court (p. 320, 321) that plaintiff's trademark NU-ENAMEL had acquired a secondary meaning, in addition to its descriptive connotation or primary meaning, whereas in the present case, as the District Court properly held, there was no evidence whatever to establish that the twelve component elements of the charge of unfair competition, considered collectively as a collocation or separately, had acquired any secondary meaning in the minds of the purchasing

public as indicating the petitioner as the source or origin of its whiskey.

Moreover, it should be noted that the petitioner attempts to rely upon trademark cases involving a single or composite word trademark to support its position, whereas, in fact, these cases have no application whatever to the facts in the present case. This is for the reason that it is one thing to establish secondary meaning and likelihood of confusion in the use of a single or composite word trademark and quite another thing, as here, to establish secondary meaning and likelihood of confusion in a multiplicity of no less than twelve (12) totally unrelated component elements of the charge of unfair competition here involved.

It is submitted, therefore, that the NU-ENAMEL case has no application, whatever, to the facts in the present case and in no way supports the petitioner's fifth reason asserted for the grant of the writ.

(4) *Mishawaka Rubber & Woolen Manufacturing Company* v. *S. S. Kresge Company*, 316 U. S. 203, 86 L. Ed. 1381 (P. 28):

Here again the petitioner attempts to rely upon a case which has no application whatever to the facts in the present case. This is for the reason that in the cited case the question involved in the lower courts was whether or not the use of a circular red plug used on rubber footwear heels constituted a good trademark, and which the court held it to be. This case thus involved the recognition by the public of a single thing used as a trademark and the facts are, therefore, totally inapplicable to the facts in the present case involving a multiplicity of twelve (12) totally unrelated elements in the charge of unfair competition here involved.

It is submitted, therefore, that the cited case has no application whatever to the facts in the present case and

in no way supports the petitioner's fifth reason asserted for the grant of the writ.

(5) *Sidney Steele, et al.* v. *Bulova Watch Company, Inc.*, 344 U. S. 280, 97 L. Ed. 319 (P. 28):

By the petitioner's own admission (P. 28) this case has no application, whatever, to the facts in the present case, since the question involved in the cited case was simply whether or not a Federal Court had jurisdiction to enjoin the infringing use of a trademark on watches sold in Mexico but assembled from parts some of which were purchased in the United States.

Obviously, therefore, the cited case has no application whatever to the facts in the present case and in no way supports the petitioner's fifth reason asserted for the grant of the writ.

(6) *Pechear Lozenge Co., Inc.* v. *National Candy Company, Inc.*, 315 U. S. 666, 86 L. Ed. 1103 (1942) (P. 28-29):

Apparently the only reason the petitioner cites this case (P. 28) is to support its contention that the present case is one of public importance and that the court should grant the writ sought herein, even though the petitioner admits that this court has seldom granted the writ for many years, as shown by the review of the cases referred to by petitioner (P. 28, 29). However, as pointed out above, the present case is a purely private controversy involving specific facts never previously litigated in any court, or in any other action, and there is no question of public importance whatever here involved.

Moreover, the cited case was decided entirely upon the question of whether or not local law should be applied in a Federal Court on the issue of damages and the facts

in the case obviously have no application whatever to the facts in the present case.

(7) *E. Kahn's Sons Co.* v. *Columbus Packing Co.*, 82 F. 2d 897 (CA 6) (P. 29):

This case has no application to the facts in the present case for the reason that in the cited case the plaintiff and the defendant both put up and sold lard in pails which had very similar color schemes and markings and the color schemes and markings were controlling factors in the case.

(8) *O. & W. Thum Co.* v. *Dickinson*, 245 Fed. 609 (CA 6) (P. 29):

In this case the plaintiff and the defendant manufactured and sold sheets of flypaper on which they used geometrical design trademarks with ornamentation, and the defendant's mark bore a strong resemblance to the plaintiff's mark. The court stated that the test in trademark infringement and in unfair competition cases is whether or not (P. 613):

> "* * * the resemblances so far dominate the differences as to be likely to deceive ordinary purchasers; * * *"

As pointed out hereinbefore, the District Court in the present case held (Memorandum, R. 182a) (App. p. 69) that since the whiskey packages of the parties are provided with such clearly distinguishing markings there is no likelihood of confusion. Hence, the cited case has no application, whatever, to the facts in the present case.

(9) *Hyde Park Clothes Inc.* v. *Hyde Park Fashions Inc.*, 204 F. 2d 223 (CA 2) (1953) (P. 30):

This case is cited by the petitioner (P. 30-31) in support of its contention that the present action involves a matter of public importance and should for this reason be reviewed

by this court. However, the facts in the cited case have no application whatever to the facts in the present case for the reason that in the cited case it was held that the defendant's use of the trademark HYDE PARK on men's and women's clothes, did not infringe plaintiff's composite trademark, consisting of the words HYDE PARK, together with a golfing scene, as used upon men's clothes, particularly since the parties were not in direct competition.

Obviously the cited case has no application to the facts in the present case and in no way supports the petitioner's fifth reason asserted for the grant of the writ.

— 10 —

CONCLUSION.

For the reasons stated, and in the light of the authorities cited above, it is submitted that the Petition for the Writ of Certiorari is without merit and should be denied.

Respectfully submitted,

CHARLES B. CANNON,
135 South La Salle Street,
Chicago 3, Illinois,

JOHN K. SKAGGS, JR.,
JAMES E. FAHEY,
SKAGGS, HAYS & FAHEY,
Kentucky Home Life Building,
Louisville 2, Kentucky,

MAX W. PETACQUE,
10 South La Salle Street,
Chicago 2, Illinois,
Attorneys for Respondents.

Chicago, Illinois
June 6, 1962.

All emphasis herein has been supplied.

APPENDIX.

In the United States District Court
For the Western District of Kentucky,
Louisville Division.

JACK DANIEL DISTILLERY, INC., Plaintiff, v. HOFFMAN DISTILLING COMPANY, Defendant, and FRANK SILVERMAN & COMPANY, Intervening-Defendant.	Civil. No. 3532.

MEMORANDUM.

(Entered December 15, 1960.)

The plaintiff, Jack Daniel Distillery, Lem Motlow, Prop., Inc., brings this action against Hoffman Distilling Company alleging unfair competition and trademark infringement and seeks to enjoin the intervening defendant, Frank Silverman and Company, a co-partnership doing business as Ezra Brooks Distilling Company, from continuing to imitate its methods of advertising and packaging Jack Daniel's Black Label whiskey.

The evidence shows that the Jack Daniel Distillery was founded in 1866 and remained in the family of the founder

until sold to Brown-Forman Distillers Corporation in 1956. It is the only legal distillery in Tennessee and its product is officially recognized by the Alcohol and Tobacco Tax Unit of the Federal Government as one of the four distinct types of whiskey manufactured in the United States, being designated as Tennessee sour mash whiskey as distinguished from bourbon whiskey, scotch whiskey and rye whiskey. The reason for this distinction is attributed to a process employed in the production of Jack Daniel's whiskey. After Jack Daniel's whiskey has been distilled, but before it is put in barrels, it is poured into large vats at the bottom of which there is from eight to ten feet of finely ground, tightly packed, sugar maple charcoal. It requires from eight to ten days from the time the whiskey is placed in these vats until it finally seeps through the charcoal. It is claimed that this process removes impurities and mellows, and makes the finished product more palatable. In any event it is generally recognized that Jack Daniel's whiskey has a distinctive taste, and with one minor exception it is also known as the most expensive sour mash whiskey sold.

The Jack Daniel Distillery started as a small distillery in a small town in Tennessee. In 1952, however, national advertising was undertaken and by 1958 approximately 3½ million dollars had been expended in the promotion of its product. Its sales increased by more than 900% in the six-year period ending in 1956, as a result of which Jack Daniel's whiskey became in short supply and it was necessary to place it on allocation limiting wholesale distributors to various percentages of whiskey they had purchased in former years. In April 1957, about a year after Jack Daniel's whiskey became in short supply and had advertised this fact, a whiskey with the brand name of Ezra Brooks was placed on the market for the first

time by the intervening defendant. It is this brand that plaintiff alleges unfairly competes in the same market with its brand Jack Daniel's Black Label.

It appears from the evidence that while the intervening defendant does business as the Ezra Brooks Distilling Company, this partnership does not own or operate a distillery. The whiskey that is distributed under its brand is bottled at the Hoffman Distilling Company, a small Kentucky distillery which is a defendant in this action, and some of the whisky bottled under the brand name Ezra Brooks is produced by the Hoffman Distilling Company. The rest of the whiskey so marketed is the product of other distilleries manufacturing sour mash bourbon whiskey and is purchased in the open market by the intervening defendant.

Although the brand names Jack Daniel's and Ezra Brooks and the names of the Jack Daniel Distillery and the Ezra Brooks Distilling Company appear prominently on their respective labels, it is clear that many features of the Jack Daniel's package and methods of advertising are imitated by Ezra Brooks. Jack Daniel's uses a square bottle and a black and white wrap-around label. Ezra Brooks employs a square bottle and a black and white wrap-around label. Jack Daniel's on its label uses the words, "90 Proof by Choice". Ezra Brooks on its label employs the expression "90 Proof for Character". Jack Daniel's pictures a small old-time distillery on its label and Ezra Brooks' label follows suit. Jack Daniel's for many years advertised that its whiskey is "Rare Old Sippin' Whiskey" and otherwise uses the word "Sippin'" to describe its product. Ezra Brooks' label bears the legend "Real Sippin' Whiskey". Jack Daniel's has consistently advertised its whiskey as "Charcoal Mellowed Drop by Drop", this expression being a reference to the

unique method of filtering its whiskey through charcoal before it is warehoused for aging. Ezra Brooks features on its label the words "Charcoal Filtered" and in its advertising "Every Sip is Mellowed 'Cause Every Drop is Charcoal Filtered". The charcoal filtration of Ezra Brooks whiskey consists of placing seven ounces of activated charcoal in four hundred gallons of aged whiskey and agitating the whiskey for varying periods of time up to twenty-four hours. Jack Daniel's uses a small black and white cardboard neckpiece on its bottle extolling its whiskey and distillery, and this feature has been adopted by Ezra Brooks with closely related resemblances both as to appearance and content. From the time Ezra Brooks first came on the market it has also imitated the Jack Daniel's story by advertising that its product was in short supply and Jack Daniel's use of the expression "There isn't quite enough to go around" was matched in Ezra Brooks' advertisements by the statement "There just ain't enuf to go around". This line of advertising was followed by the defendant in spite of the fact that there was no shortage of its supply as the evidence clearly shows that there was always available in the market an ample supply of the type whiskey bottled under the brand name of Ezra Brooks.

From this brief statement of the evidence it is necessarily concluded that all of these similarities were not adopted by accident but that the defendant intentionally copied and imitated the appearance of the well-established and attractive Jack Daniel's Black Label package and advertising techniques for its new and unknown brand Ezra Brooks. The obvious purpose of the copying was to solicit customers of the plaintiff who could not obtain Jack Daniel's whiskey while there was a shortage in supply and also to appeal to all other prospective con-

sumers who would be attracted by the advertising and packaging methods developed by the plaintiff. It is the continuance of these imitating tactics that the plaintiff seeks to enjoin, but regardless of how disapproving the courts may be of such practices, they cannot legislate the morals of the market place, and to sustain its claim for relief the plaintiff must establish by a preponderance of the evidence that the defendant is not merely competing with the plaintiff but is guilty of unfair competition such as is prohibited by law.

The defendant takes the position that even if it should be found it has imitated the Jack Daniel's Black Label package and advertising methods that such imitations fall far short of actionable unfair competition. It claims that the plaintiff has failed to establish that the purchasing public has been deceived or confused by the similarities of the two brands and asserts that no likelihood of confusion exists because of the obvious differences in the packages and because the two brands are clearly marked both by brand name and by source of manufacture.

The law of unfair competition to be applied to the facts of this case is concisely set forth in the Restatement of Torts, Sec. 741, under the title "Imitation of Appearance", pages 622 and 623.[1] From this statement of the law the

1. " . . . The privilege to engage in business and to compete with others implies a privilege to copy or imitate the physical appearance of another's goods. The public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers. But the privilege to imitate may be limited by legislative enactment. Thus, in order to encourage invention or art, a patent or copyright may, for a limited period of time, protect one's interest in the physical appearance of his goods. The privilege is also qualified by the law of Torts to the extent necessary in order to prevent the sale of one's goods as those of another and to prevent the procurement of the means of imitation by unfair methods . . .

SEC. 741. *Elements of Unprivileged Imitation.*

"One who markets goods, the physical appearance of which is a

defendant has the right to copy the Jack Daniel's package and advertising unless both (1) the imitated features have acquired generally in the market a special significance identifying the source of the other's goods, that is, have acquired a secondary meaning, and (2) that prospective purchasers will likely be confused by the imitation and misled to believe that Ezra Brooks whiskey was produced by the Jack Daniel Distillery. To establish these two essential requisites of unfair competition, "secondary meaning" and "likelihood of confusion", the plaintiff introduced in evidence an inconclusive market survey which did little more than reflect that plaintiff's products had been advertised, and also introduced the depositions of various retail whiskey dealers. There was no evidence presented, however, that any retail dealer or any representative of the defendant ever sold or passed off or attempted to sell or pass off Ezra Brooks whiskey for Jack Daniel's whiskey, and there was no showing by any witness that a single member of the consumer public was ever confused or misled into buying a bottle of Ezra Brooks whiskey thinking it was Jack Daniel's whiskey. The most the evidence does disclose in addition to the package and advertising copying is that some retail dealers when out

---

copy or imitation of the physical appearance of the goods of which another is the initial distributor, markets them with an unprivileged imitation, under the rule stated in Sec. 711, if his goods are of the same class as those of the other and are sold in a market in which the other's interest is protected, and

"(a) he copied or imitated the appearance after obtaining access to or procuring the goods, or their labels, wrappers, containers, styles or designs by improper means or on his promise not to copy or imitate them [(a) is not applicable in this case] or

"(b) the copied or imitated feature has acquired generally in the market a special significance identifying the other's goods, and

"(i) the copy or imitation is likely to cause prospective purchasers to regard his goods as those of the other, and

"(ii) the copied or imitated feature is nonfunctional, or, if it is functional, he does not take reasonable steps to inform prospective purchasers that the goods which he markets are not those of the other."

of Jack Daniel's whiskey would recommend Ezra Brooks to their customers stating generally that it was a good substitute for Jack Daniel's Black Label and the making of other similar representations in an attempt, not to deceive the customers, but to make a sale by substituting a different brand for the one not on the shelf. This type of evidence does not sustain the plaintiff's claim that its label, bottle, slogans and expressions by long and continued use and by extensive advertising have combined to create a "brand image" in the public mind and the "brand image" has acquired a secondary meaning. Nor does it sustain the claim that because of the similarities of the packages and advertising that there is likelihood of confusion among ordinary retail customers as to the producers of the two brands of whiskey.

In unfair competition the essence of the wrong is the sale of the goods of one manufacturer for those of another. Hanover Star Milling Co. v. Metcalf, 240 U. S. 403; Prestonettes, Inc. v. Coty, 264 U. S. 359; Howe Scale Co. v. Wyckoff, Seamans & Benedict, 198 U. S. 118; Hemmeter Cigar Co. v. Congress Cigar Co., Inc., 118 F. 2d 64 (C. A. 6). Absent a monopoly right such as is conferred by ownership of a valid patent or trademark one has the right to copy a competitor's product, even if he gets a free ride by reaping an advantage from his competitor's advertising, provided he does not deceive the public by passing off his product as that of his competitor. Swank, Inc. v. Anson, Inc., 196 F. 2d 330 (C. A. 1). As pointed out by Judge McAllister in West Point Mfg. Co. v. Detroit Stamping Co., 222 F. 2d 581, 591 (C. A. 6), cert. denied 350 U. S. 840, there is nothing unlawful in copying the unpatented products of another down to the last detail, except in so far as the resulting similarity may become

a means of securing the original producer's customers through believing that the copied goods are those of the original producer. Citing Auto-Lite Co. v. P. & D. Mfg. Co., 109 F. 2d 556, 567 (C. A. 2); In Cheney Bros. v. Doris Silk Corp., 35 F. 2d 279, 280 (C. A. 2) [illegible]n Tas-T-Nut Co. v. Variety Date & Nut Co., 245 F. 2d 3 (C. A. 6) it is stated that the identical imitation of the goods of another does not in itself constitute unfair competition. This is so because the public interest in competition ordinarily outweighs the interest in securing to a person the rewards of his ingenuity in making his product attractive to purchasers. See James Heddon's Sons v. Millsite Steel & Wire Works, Inc., 128 F. 2d 6 (C. A. 6); Dennison Mfg. Co. v. Scharf, 135 F. 625 (C. A. 6); Globe Werneke Co. v. Fred Macy Co., 119 F. 696 (C. A. 6). And where it does not appear that the public has been moved in any degree to buy an article because of its source, an action for unfair competition does not lie. American Fork & Hoe Co. v. Stampit Corp., 125 F. 2d 472 (C. A. 6). And quoting from West Point Mfg. Co. v. Detroit Stamping Co., supra, "Confusion for which a copier is held responsible is not confusion resulting from the inability on the part of the public to distinguish between similar articles, but confusion as to the origin, and there is unfair competition only if there is such relationship or analogy between goods of a complainant and those of a copier that ordinary retail purchasers are likely to be deceived as to their origin. Similarity sufficient to justify relief for trademark infringement must be such as would cause confusion of any appreciable number of ordinary prudent purchasers as to source of goods which consumers buy without having two products or their trademarks before them for comparison."

As also stated above the two brands are clearly marked both by brand name and source of production. The Ezra Brooks label prominently carries the name "Ezra Brooks Rare Old Genuine Sour Mash Kentucky Straight Bourbon Whiskey" with the statement "Bottled by Ezra Brooks Distilling Co., Lawrenceburg, Anderson County, Ky." The Jack Daniel's Black Label is conspicuously marked "Jack Daniel's Old No. 7 Brand Quality Tennessee Sour Mash Whiskey" with the statement "Distilled and Bottled by Jack Daniel Distillery, Lem Motlow, Prop., Inc., Lynchburg, Tenn." With the brands so clearly identified there is no likelihood of confusion and an ordinary prudent purchaser interested in source could not be deceived and misled to believe that the Ezra Brooks brand was produced by the Jack Daniel Distillery. See Singer Mfg. Co. v. June Mfg. Co., 163 U. S. 169; Kellogg Co. v. National Biscuit Co., 305 U. S. 111.

For the reasons stated plaintiff's claim of unfair competition cannot be upheld.

Plaintiff also seeks trademark protection of its expression "Rare Old Sippin' Whiskey" registered by the Commissioner of Patents in the Supplemental Register on March 15, 1955; under a Certificate of Registration No. 603,460 and under a new Certificate of Registration bearing the same number dated November 27, 1956. The proof discloses, however, that this trademark has been abandoned without intention to renew its use since the latter part of 1953 when the Alcohol and Tobacco Tax Unit prohibited the use of the words "Rare" and "Old" together unless the age of the whiskey was specified. Discontinuance of a trademark with intent not to resume its use for two consecutive years is an abandonment of the trademark. Sec. 45 of the Trademark Act of July 5, 1946 (The Lanham Act), 15 U. S. C. A., Sec. 1127.

Defendant will tender appropriate judgment.

December 15, 1960.

HENRY L. BROOKS,
United States District Judge.

For the Plaintiff:

JOHN J. HOOKER, Esquire,
1106 Nashville Trust Building,
Nashville, Tennessee,

BEN H. MORRIS, Esquire,
Box 1080,
Louisville, Kentucky.

For the Defendants:

CHARLES B. CANNON,
135 South La Salle Street,
Chicago 3, Illinois,

JOHN K. SKAGGS, JR., Esquire,
Kentucky Home Life Building,
Louisville, Kentucky.

1. The words "for Character", as used at this point in the Appendix to the Petition (P. 35), are in error, because these words were changed to "by Choice" by the District Court.

2. The words "by Choice", as used at this point in the Appendix to the Petition (P. 35), are in error, because these words were changed to "for Character", by the District Court.

3. The use of the word "support", as it appears at these two points in the Appendix to the Petition (P. 38), is in error because this word was changed by the District Court, in both instances, to "sustain", as per the District Court's letter of December 21, 1960.

IN THE UNITED STATES DISTRICT COURT,
Western District of Kentucky,
at Louisville.

Jack Daniel Distillery, Lem Motlow, Prop., Inc., a Tennessee Corporation;
Plaintiff,

vs.

Hoffman Distilling Company, a Kentucky Corporation,
and
Frank Silverman & Company, a Copartnership,
Defendants.

} Civil Action No. 3532.

JUDGMENT.

(Entered January 9, 1961.)

This cause coming on to be heard on motion of the defendants for the entry of judgment, and the Court having considered all the evidence introduced by the plaintiff and by the defendants, and the briefs of the parties, and having heard oral argument by counsel for the plaintiff and counsel for the defendants, and having considered the additional briefs of the parties filed after oral argument, and having heretofore, namely, on December 15, 1960 filed its Memorandum Opinion and having adopted said Memorandum Opinion as its Findings of Fact and Conclusions of Law under the provisions of Rule 52(a) of

the Rules of Federal Civil Procedure, and being fully informed and advised in and relative to the matter,

It Is Hereby Ordered, Adjudged and Decreed, as follows:

1. That the complaint herein be, and it is hereby, dismissed for want of equity;

2. That the plaintiff's trademark Reg. No. 603,460, registered March 15, 1955, on the Supplemental Register, on the trademark "Rare Old Sippin' Whiskey," and re-registered under said Reg. No. 603,460 on November 27, 1956, and plaintiff's trademark "Rare Old Sippin' Whiskey" as registered thereby, are invalid and void and of no force and effect because of abandonment by plaintiff for more than two consecutive years without intent to resume, within the meaning of Sec. 45 of the Trademark Act of July 5, 1946 (The Lanham Act), 15 U. S. C. A., Sec. 1127, and said Reg. No. 603,460 should be cancelled;

3. That the counterclaims of the defendant Hoffman Distilling Company and the intervenor, Frank Silverman & Company, a partnership consisting of Frank Silverman and Anna Silverman d b/a Ezra Brooks Distilling Company, are dismissed except to the extent of the relief granted thereunder in paragraphs 1 and 2 hereof.

4. That a certified copy of this Judgment be filed with the Commissioner of Patents for such action as he may deem appropriate as to said Reg. No. 603,460; and

5. That the defendants have and recover from plaintiff their costs in this action.

HENRY L. BROOKS,
United States District Judge.

January 9, 1961.

No. 14514

UNITED STATES COURT OF APPEALS.

For the Sixth Circuit.

Jack Daniel Distillery, Lem Motlow, Prop., Inc.,
Plaintiff-Appellant,

vs.

Hoffman Distilling Company,
Defendant-Appellee,

and

Frank Silverman & Company,
Intervener-Appellee.

On Appeal from the United States District Court for the Western District of Kentucky, Louisville Division.
Reported in 208 F. (2d) 606.

Decided February 3, 1962.

Filed Feb. 3, 1962, Carl W. Reuss, Clerk.

Before: CECIL and WEICK, *Circuit Judges* and DARR, *Senior District Judge.*

Per Curiam. In the District Court plaintiff sought to enjoin the defendants from imitating its methods of advertising and packaging Jack Daniels Black Label Whiskey on the grounds of infringement of its trademark and unfair competition. Plaintiff claimed that it had expended large sums of money in advertising certain expressions and packaging of Jack Daniels products and that they had acquired a secondary meaning identifying them with Jack Daniels whiskey, that defendants were unfairly competing with plaintiff by intentional use of similar expressions and methods of advertising.

The District Judge heard the evidence and in a well-considered opinion, which he adopted as findings of fact and conclusions of law, dismissed the complaint because of failure of the plaintiff to establish its case. The Court also cancelled plaintiff's trademark on the ground that it had been abandoned for more than two consecutive years without intent to renew its use.

The brand names Jack Daniels and Ezra Brooks and the names of Jack Daniels Distillery and Ezra Brooks Distilling Company appeared prominently on the labels on their respective bottles. Ezra Brooks, however, did adopt or imitate a number of the features employed by Jack Daniels. These were as follows:

1. A square bottle with a black and white wrap-around label.

2. On Jack Daniel's label appeared the words "90 Proof for Character." Ezra Brooks used the expression "90 Proof by Choice."

3. A picture of a small old time distillery on the label.

4. Jack Daniels advertised its whiskey as "Rare Old Sippin' Whiskey" and also used the word "sippin'" in describing the whiskey. Ezra Brook's label stated "Real Sippin' Whiskey."

5. Jack Daniels used the expression "Charcoal Mellowed Drop by Drop." Ezra Brooks featured on its label "Charcoal Filtered" and in its advertising "Every Sip is Mellowed 'Cause Every Drop is Charcoal Filtered."

6. A small black and white cardboard neckpiece on the bottle extolling the whiskey and the distillery.

7. Jack Daniels advertised that its whiskey was in short supply. Ezra Brooks claimed with respect to its whiskey that "There just ain't enuf to go around."

Despite these similarities, the District Court found from

the evidence that no retail dealer or any representative of defendants had ever attempted to sell or pass off Ezra Brooks whiskey for Jack Daniels whiskey. There was no showing that a member of the consuming public was ever confused or misled into buying Ezra Brooks whiskey thinking it was Jack Daniels whiskey. In other words, the proof did not show that these imitated features had a secondary meaning as identifying the source of the whiskey.

It was not unlawful for Ezra Brooks to copy unpatented products of Jack Daniels so long as they are properly identified and do not mislead the public into believing that Ezra Brooks' products are those of Jack Daniels. **Kellogg Co. v. National Biscuit Co.**, 305 U. S. 111; **Norwich Pharmacal Co. v. Sterling Drug, Inc.**, 271 F. 2d 569 (CA 2); **Speedry Products, Inc. v. Dri Mark Products, Inc.**, 271 F. 2d 646 (CA 2); **Tas-T-Nut Co. v. Variety Nut & Date Co.**, 245 F. 2d 3 (CA 6); **West Point Mfg. Co. v. Detroit Stamping Co.**, 222 F. 2d 581, 591 (CA 6); **Hemmeter Cigar Co. 1. Congress Cigar Co., Inc.**, 118 F. 2d 64 (CA 6); **Upjohn Co. v. Merrell**, 269 Fed. 209 (CA 6).

The fact that some of the statements made by Ezra Brooks concerning its product were false and untrue does not make out a case of unfair competition in favor of plaintiff. **Mosler Safe Co. v. Ely-Morris Safe Co.**, 273 U. S. 132; **American Washboard Co. v. Saginaw Mfg. Co.**, 103 Fed. 281 (CA 6).

The findings of fact of the District Judge are supported by substantial evidence and are binding on us. He has applied the correct rules of law.

There was no error in cancelling plaintiff's trademark as the proof established it had been abandoned without intention to renew in the latter part of 1953. 15 U. S. C. A., § 1127.

The judgment of the District Court is affirmed.

No. 14,514.

UNITED STATES COURT OF APPEALS

For the Sixth Circuit.

Jack Daniel Distillery, Lem Motlow, Prop., Inc.,
Plaintiff-Appellant,

vs.

Hoffman Distilling Company,
Defendant-Appellee,

and

Frank Silverman & Company,
Intervener-Appellee.

ORDER.

(Filed Mar. 7, 1962, Carl W. Reuss, Clerk.)

Before: CECIL and WEICK, *Circuit Judges* and DARR, *Senior District Judge.*

In our opinion we mentioned that the fact that some of the statements made by Ezra Brooks concerning its product were false and untrue did not give rise to an action for unfair competition in favor of plaintiff. We had in mind the claim of Ezra Brooks "There just ain't enuf to go around" and the picture of an old distillery on its label.

Assuming that Ezra Brooks whiskey was not in short supply we fail to see how this creates a cause of action in favor of plaintiff.

The same is true about the picture of a distillery on its label when its whiskey was manufactured by independent distilleries. The evidence disclosed four other brands of whiskey using an illustration of an old distillery on their labels.

The other matters presented in the petition for rehearing were previously considered by the Court and we adhere to our opinion.

The petition for rehearing is denied.